

## NEWS SUMMARY

### GENERAL

#### Scott tells of Thorpe 'affair'

Former male model Norman Scott told magistrates in Minehead, Somerset, yesterday that Mr. Jeremy Thorpe had had a homosexual affair with him over a period in the early sixties.

He said there was a time when he wanted to break off the sexual relationship and remain friends, but Thorpe was not willing. Scott had also at one time threatened to expose their affair.

He was appearing at the resumed criminal hearing against Thorpe and three other men accused of plotting to kill Scott. The hearing continues.

#### Nixon arrives

Former U.S. President Richard Nixon flew in to London and said it had not been for the Watergate scandal the Communists might not have taken over in North Vietnam. Mr. Nixon is due to address the Oxford Union.

#### Egypt peace bid

Egyptian Prime Minister Anwar el-Sadat left Cairo for Washington where he is expected to accept the U.S. compromise proposals for a full timetable leading to Palestinian self-rule in Israeli occupied Gaza Strip and the West Bank. Page 6

#### Soviet targets up

The Soviet leadership, buoyed by record grain harvest, announced higher economic targets for next year, but said that defence spending would be held to the 1977-78 levels. Page 2

#### Spitfires check

R. Cars is using the vehicle sensing computer centre in Walsley to conduct the owners of 16,000 Triumph Spitfire Mk2 sports cars built between 1971 and 1974 for a safety check on a fuel hose connection.

#### Murder charge

Three men appeared in court yesterday charged with the murder of a Securicor guard using a .380 calibre .41 North-Britain Undergound station in North London last month.

#### Lillie's letters

A collection of 55 autograph love letters from actress Lillie Langer, whose romance with King Edward VII was said to have ended in 1900. The letters were written to Arthur Henry Jones, her secret lover. Page 8

#### Fraud squad plea

Prosecutors must be called in regularly to assist police investigations into complex, sophisticated company frauds. Mr. Tom Edwards, a former head of the City Fraud Squad, said. Page 8; Men and Matters Page 22

#### Historic homes

The Conservative Party has drawn up a charter to save historic homes. It contains six recommendations, among them: regarding owners from capital tax on supporting assets or their capital assets. Page 10

#### No China change

Prime Minister James Callaghan said that the British Government had no intention of changing its policy on China's leadership in spite of criticisms of some high officials in Peking's present poster campaign. Page 6

#### Gandhi setback

Mrs. Indira Gandhi's Congress Party was defeated by the ruling Janata Party in a bitterly contested Parliamentary election in Bihar State. The defeat follows Mrs. Gandhi's recent election to Parliament. Page 6

#### Briefly . . .

France's new Foreign Minister M. Jean Francois-Poncet, a senior adviser to President Mitterrand, arrived in Paris. Page 3

Malaysia has welcomed a U.S. offer to admit an extra 15,000 Vietnamese refugees plus those left on the freighter Hai Hong. Two columns of Ethiopian troops have driven Eritrean guerrillas from Keren, their last major stronghold.

#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

GPB Index	245 + 11	Reed (Austin) A	92 + 5
Barr & W.A.T. A	106 + 4	Stocks (J.)	145 + 7
Barclays Bank	145 + 3	Westwick Products	50 + 3
Decca (J.)	404 + 3	Cultrite	335 + 8
EMI	156 + 4	London Sunatras	187 + 17
Elliott (B.)	167 + 12	Hampton Areas	128 + 9
Smith	92 + 4	Westfield Minerals	380 + 10
Salvage	138 + 9	Whim Creek	90 + 13
Hall (M.)	225 + 4		
Hambros	163 + 8	FALLS:	
Barclays	109 + 4	A. B. Electronics	142 - 4
London Mathew	144 + 14	Boole	180 - 4
Lid. & Prov. Shop	130 + 43	Cullen's Stores	138 - 8
May & Hassell	73 + 5	Downing (G.H.)	120 - 4
Milbury	63 + 6	Inchcape	256 - 28
Plesurama	76 + 3	Sirdar	70 - 3
Pochin	138 + 6	Solihull P.E.	363 - 4
		BP	934 - 16

### BUSINESS

#### Wall St. down 14; Equities rally ends

WALL STREET fell 14.03 to 790.11 in moderate trading after depressing U.S. trade figures.

● **EQUITIES** rally, which over the past week took the FT ordinary index 21 points higher, faded yesterday, and the index closed 0.9 easier at 493.0.

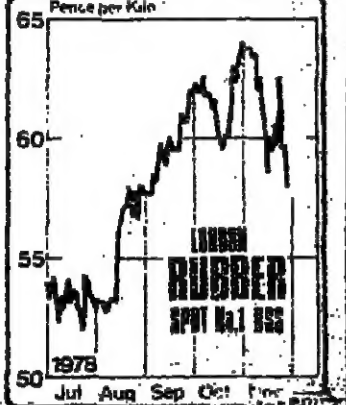
● **GILTS** generally held to overnight levels and the Government Securities Index closed 0.02 down at 68.53.

● **STERLING** rose 25 points to \$1.9515 and its trade-weighted index improved to 62.7 (62.6). The dollar declined and its depreciation widened to 8.4 per cent (8.2).

● **GOLD** rose \$11 to \$1941 in London, and in New York the Comex November settlement price was \$191.90 (\$192.60).

● **LEAD** prices rose sharply following reports of sales to the USSR. Cash lead rose £16 to £424 a tonne. Page 41

● **RUBBER** prices fell to their lowest for nearly three months and RSS No. 1 spot fell 1.5p to 65 pence per ton.



59p a kilo, due mainly to the drying up of buying interest from Eastern Europe and Japan. Page 41

● **U.S. TRADE** deficit widened by more than \$400m to \$2.13bn last month. Back Page

● **LLOYD'S** of London members have until tomorrow midday to decide whether a £45m redevelopment scheme at their Lime Street site in the City should go ahead. Page 8

● **DEUTSCHE BANK** is to take a 25 per cent stake in Nixdorf, the family-owned West German computer group. Back and Page 28

● **FERROD**, the French motor component group, is hoping to negotiate a deal with Lucas for alternative and competing suppliers of some of the products it supplies to the French motor industry. Back Page.

● **STAFLEX INTERNATIONAL**, which made pretax losses of \$5.3m last year, is to cease trading, following the halting of bank support. Back Page

### LABOUR

● **SINGER** UK's Clydebank shop stewards are to seek Government and trade union help, following Singer's announcement that it can save only 338 of the 2,800 jobs threatened at the Clydebank plant. Back Page

● **HOOVER** plans a major cut at its domestic appliance plants in Wales, London and Glasgow, to improve efficiency and cut wage costs in the face of competition from cheap Italian imports. Back Page.

● **STRIKES** in Britain are "extremely concentrated," with few stoppages in large sections of industry, according to an extensive study of the U.K.'s strike record since 1968 carried out by the Department of Employment. Page 17

### COMPANIES

● **BPS INDUSTRIES** pretax profit rose from £14.92m to £17.73m on increased demand for building materials. Page 24 and Lex

● **AFON RUBBER** pretax profit for the year to September 30 fell from the record £3.417m to £4.414m due to severe competition arising from over-manufacturing and cheap imports. Page 24

## Britain not to join EMS without changes—Healey

BY PHILIP RAWSTORNE

Britain will not join the European Monetary System unless the EEC summit in Brussels next week agrees to substantial changes in the proposals, Mr. Denis Healey, Chancellor of the Exchequer, confirmed yesterday.

He also told the Commons that, if links between the British and Irish pounds were broken, the Irish and British governments believed that exchange controls would have to be introduced.

Mr. Healey, opening the debate on the EMS proposals, said that important differences remained between the Government and its EEC partners on the operation of the system.

The exchange rate regime now planned was too similar to that of the present "snake" to offer Britain advantages commensurate with the risks of joining.

The Chancellor emphasised that the Government did not intend to adopt a "doe in the manger" attitude on the issue. Whether Britain joins the exchange rate regime or not, we remain totally committed with the wider aspects of EMS," he said.

Stability could not be achieved simply by intervention in the exchange markets, though. Concerted action to bring about a greater convergence of the economic of the Nine was vital.

Urgent changes were also needed in the operation of the Common Agricultural Policy. "The most important single objective must be to freeze the

prices of commodities in surplus."

It was important to devise a system of contributions to the Community budget that would replace the present "own resources" system and be progressive rather than regressive in its effect.

Mr. Healey said that the Government regarded the EMS as a first step towards a new international monetary order rather than a move towards full economic and monetary union in the EEC.

The first essential was that the system should promote growth and employment and control inflation.

Britain wanted a firm commitment to these objectives and the changes in the present proposals needed to achieve them. The system should impose similar obligations on stronger and weaker countries to take action to preserve stability.

Stability could not be achieved simply by intervention in the exchange markets, though. Concerted action to bring about a greater convergence of the economic of the Nine was vital.

Urgent changes were also needed in the operation of the Common Agricultural Policy. "The most important single objective must be to freeze the

### Endorsed

"Before we join the EMS, the question we have to ask is whether we can get more stability at less cost inside the system than outside."

Sir Geoffrey Howe, Shadow Chancellor, firmly endorsed the objective of a "zone of currency stability in Europe."

The Conservative supported membership of the EMS in principle, he said. "If it is designed, it would commit this country to a standard of monetary discipline, including a firm commitment to the elimination of inflation, that has served Germany so well."

There was a very strong political case for British participation from the outset. If Britain failed to join it risked losing influence in changing other aspects of EEC policy.

Parliament, Page 10

Economic viewpoint, Page 23

## Poland seeking long-term \$500m Euro-loan

BY CHRISTOPHER ROBINSON AND ANTHONY ROBINSON

POLAND, which has the largest hard currency debt in Eastern Europe, after the Soviet Union, is about to begin negotiations for a new long-term Euro-currency loan of at least \$500m (£256m).

It has indicated that it is prepared to go as far as it can to satisfy requests from Western banks for detailed information on the state of the economy and the debt position.

Mr. Marian Krzak, the Polish First Deputy Finance Minister, said today that he would be travelling to Frankfurt this week with representatives of Bank Handlowy to discuss the loan with Western bankers.

Poland was trying to obtain significantly better terms than the margin of 11-15 per cent over London inter-bank rates which it obtained on its last big Euro-currency loan, an eight-year, \$250m loan for the Polish Copper Combine in January. Poland was now looking for a spread of around 1 to 1 per cent.

Reports that Poland would soon be seeking a big loan for balance of payments financing have been circulating in London and other financial centres for some time. The authorities have made great efforts to reduce the balance of payments deficit and the trade deficit with the West was cut by 50 per cent to \$20m (£25.47m) during the first half this year.

With outstanding gross debt at the end of last year estimated at nearly \$15bn, rising to \$16bn this year and a debt servicing requirement put at about \$20m (£25.47m) during the first half this year.

With outstanding gross debt at the end of last year estimated at nearly \$15bn, rising to \$16bn this year and a debt servicing requirement put at about \$20m (£25.47m) during the first half this year.

### Re-scheduling

Several banks have already reached their limit for an individual country so far as lending to Poland is concerned. However, the extent of current debt and likely borrowing requirements into the 1980s have raised the question of possible debt re-scheduling at some stage.

The lack of complete information about the structure of the current debt and future economic prospects, particularly with regard to the generation of hard currency exports, has added to the nervousness.

To some extent Poland recognised these problems when it agreed to disclose considerable information about its progress in respect of the Polish copper loan. This time however, one banker said, Western bankers would be looking for the sort of disclosure which will make it possible to prepare a detailed loan memorandum at least as informative as that prepared in connection with the recent \$300m loan to Hungary.

Bankers also suggest that terms will have to be considerably more attractive than those apparently being considered if banks are to add to their already considerable existing Polish commitments.

Details Page 2

## CBI seeks talks on sanctions

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry is requesting a meeting with the Foreign Office to discuss the Government's sanctions policy. Phase Four of the pay policy, and the reform of the bargaining system.

The decision to seek talks was taken at an emergency meeting of the president's committee, the CBI's "inner cabinet," at which some representatives were calling for a more dramatic campaign in order to register distaste for the way the Government has treated Ford.

But Sir Terence Beckett, Ford's chairman, who is a member of the committee, specifically said he was not asking for CBI help in the company's handling of the sanctions issue — a fact which obviously defused an angry response.

The meeting also decided to call for a Parliamentary debate soon on the sanctions, and to take legal advice on whether the Government is misusing its discretionary powers by disallowing financial aid in companies which break the guidelines.

This rather moderate response of the "inner cabinet" of the CBI to an issue which is causing extreme concern to many of its members may well, however, be only a first step in deciding its handling of sanctions.

The committee of 25 took the view that Ford is almost certainly the first in the firing line, and that other companies which have sanctions imposed on them will want more definite support from the CBI than Ford.

The decision to seek legal clarification on the Government's threatened withdrawal of financial aid as a sanction concerns three areas which the Government is looking at in connection with Ford—temporary employment subsidy, financial assistance under Sections 1, 7 and 8 of the 1972 Industry Act.

Continued on Back Page

Editorial comment, Page 22

Car figures, Page 3

### CONTENTS OF TODAY'S ISSUE

European news	23	Technical page	11	Euremarkets	28
American news	4	Management page	19	Money and Exchanges	30
Overseas news	6	Arts page	21	World markets	36
World trade news	5	Leader page	22	Farming, raw materials	41
Home news—general	8-9	UK Companies	24-26	UK stock market	42
Labour	17	Mining	25		
Parliament	10	Intl. Companies	27-29		

### FEATURES

Firestone's merger with Borg-Warner	22	Gayana's tragedy: Burnham dissociates himself	4	Arab shipping: Gulf press for liner trade	29
Economic viewpoint: EMS trials and tribulations	23	Third World investment: Suspicion remains	3	Western Sahara: The phosphate mines idle	41
Business and the Courts: Untruths—the place	28	Egypt oil exploration: Prospects after peace	6		
Poland opens its books for \$500m loan	2	Deutsche Bank deal: Nixdorf's retain controls	28		

Appointments	42	Euro-options	36	Saleorom	8
FT-Accurities Index	12-17	FT-Accurities Index	42	Share Information	42-43
Base Rates	36	Column	21	Yielders' Event	26
Business Capital	11	Letters	23	TV and Radio	20
Crashpad	20	Lex	46	Use Tracts	40
Economic Indicators	21	Lowland	46	Weather	46
Entertainment Guide	26	Racing	29	INTERIM STATEMENTS	24
				Domestic and Gov.	24

For latest Share Index phone 01-245 5026

## Commons debate on Times today

BY ALAN PIKE, LABOUR CORRESPONDENT

THERE WILL be a three-hour Commons debate today on the crisis at Times Newspapers, which is expected to suspend all its publications from tonight.

The Speaker agreed to an emergency debate at the request of Mr. Patrick Cormack, Conservative MP for Stafford South West, who told the House that the Times newspapers and supplements were approaching the most critical 24 hours in their history.

"If the presses stop tomorrow there is no sign when or even whether they will roll again," said Mr. Cormack.

This morning's edition of the Times is expected to be the last for an indefinite period. Times Newspapers announced in April that it would suspend all production of the newspaper together with the Sunday Times and the three Times supplements, unless agreements on industrial relations reforms were reached by today.

Although some progress has been made the National Graphical Association, the union most directly involved in the crucial issue of new technology, has refused to talk to the company unless the threat of suspension is lifted.

Staff will begin work this morning on tomorrow's edition of the Times but unless there is a sudden new development the company will announce during the day that publication is suspended.

### Refused

Lord Thomson of Fleet, chairman of the International Thomson Organisation and president of Times Newspapers, said yesterday that, while suspension of publication was a drastic step, the papers could not be allowed to slowly bleed to death. Unofficial disputes this year had resulted in the loss of 150,000 copies.

There was, said Lord Thomson, absolutely no intention of permanent closure or sale of the Times newspapers. "I have not asked for a deliberately structured confrontation to put an end to the papers to save money."

He hoped the suspension would be for the shortest possible time.

Time runs out for the Times, Page 8

£ in New York

Nov. 29 / Previous

100	\$139.36	\$138.60
100	\$139.36	\$138.60
100	\$139.36	\$138.60
100	\$139.36	\$138.60

## Shell drivers to ballot on strike call

BY NICK GARNETT, LABOUR STAFF

THE THREAT of a tanker drivers' strike in at least four of the five big oil companies emerged yesterday when a national meeting of shop stewards representing Shell drivers decided to stop work from January 2 if the company refuses to improve its "Ban!" pay offer.

The decision will be put as a recommendation to the drivers by ballot.

National conferences of stewards representing drivers at British Petroleum, Esso and Texaco are due within the next week.

They follow the rejection by Transport and General Workers' Union negotiators of pay proposals made by the four companies.

Of the big five oil and petrol suppliers, only Mobil has had its pay offer accepted by senior union officials. It is being put to stewards tomorrow with a recommendation for acceptance.

The four companies which have had offers rejected supply about 60 per cent of all UK petrol supplies and a large proportion of heating oils and industrial and aviation fuels.

It was still not clear last night if stewards at BP, Esso and Texaco will follow the Shell lead. A strike by Shell drivers alone would probably have little more than a marginal effect on customers even though the company supplies 20 per cent of the petrol market.

The drivers have submitted claims which the union would represent pay rises of 30 to 40 per cent but which the companies calculate at more than 50 per cent. They include a new basic rate of £50 against the present £75, which would also be used for calculating overtime and shift payments.

The companies have run into negotiating difficulties on two particular points. The drivers are insisting that a "forward commitment" on overtime pay from last year's settlement—which alone is worth 8 per cent—must be paid. They are also refusing to discuss productivity schemes unless the companies improve existing offers which are within the 5 per cent limit.

Mr. Jack Ashwell, the union's national transport secretary, said yesterday that the proposals by the four companies were far short of acceptable and the union would maintain its refusal to negotiate productivity unless improvements were made.

The Shell offer involves an increase in the present rate of £39.25 on which overtime and shift premiums are paid—to £68. The present basic rate would not be increased.

The company said yesterday that it was also offering a productivity scheme to yield as yet unspecified extra payments. The "forward commitment" from last year was not opened, it said, and it hoped to have further pay negotiations.

The companies have made similar offers in overall cash terms although formulated differently. Esso, for example, has offered 55 on basic pay but BP has put claims which the union would represent pay rises of 30

## U.S. lowers estimate of world oil supply

BY KEVIN DOME, ENERGY CORRESPONDENT

THE U.S. has lowered its estimates of the amount of oil which will be available to supply world markets in the middle 1980s. Mr. James Schlesinger, the U.S. Energy Secretary, said in London, last night.

World oil production, now running in excess of 60m barrels a day, should not be counted on to increase by more than 30 per cent before reaching its practicable limits. The latest figures forecast a particular reduction in supplies from OPEC countries.

If oil consumption increased at 4 per cent a year, as in recent years, demand would exceed supply before the middle 1980s, Mr. Schlesinger warned.

He said: "Even if the growth rate were to be reduced to 2 per cent a year—a substantial

accomplishment given where we now stand—we would still reach that crunch point by the early 1980s, a period in which we expect conventional oil production to peak."

Addressing a dinner of the Pilgrims, a society to encourage closer Anglo-U.S. relations, he said a surprising and undue satisfaction had been taken in cent before reaching its practicable limits. The latest figures forecast a particular reduction in supplies from OPEC countries.

If oil consumption increased at 4 per cent a year, as in recent years, demand would exceed supply before the middle 1980s, Mr. Schlesinger warned.

He said: "Even if the growth rate were to be reduced to 2 per cent a year—a







## Third World blamed for loss of mine finance

BY ADRIAN DICKS

BONN, Nov. 29.

DEVELOPING COUNTRIES have largely themselves to blame for the dramatic shift of new mining investment away from the Third World, Count Otto Lambsdorff, the West German Economics Minister, told the German mining industry's annual conference here this evening.

The tone of the international debate on raw materials had frightened off a good deal of risk capital, so that 85 per cent of new mining investment was now going to projects in the industrialised countries, Count Lambsdorff said.

A decade ago, the developing countries were getting 60 per cent rather than the 15 per cent left for them now.

"The damage which the developing countries are doing to themselves through this policy is probably even now not fully recognised."

At the same time, however, the Minister said he was disappointed with the results of the first seven years of West Germany's policy of support for overseas mineral exploration and development.

It would be wrong to blame developing countries alone, when companies were also faced with uncertain price and sales prospects. But he urged West German mining groups to adopt a bolder approach, and assured them that the Government would not fail to adapt its existing guarantees to new forms of operation such as service contracts with overseas authorities.

Count Lambsdorff's speech coincided with the Bonn Cabinet's long-delayed discussion today of the question of a

national stockpile of scarce raw materials. No firm decisions were taken, and the matter was effectively shelved until April, when a committee of senior officials will present a range of options.

There appears to be no change in the Economics Ministry view that primary responsibility for stockpiles rests with industry, though Count Lambsdorff hinted that Bonn might be prepared to ease the financial burden through tax concessions.

The consensus view remains that in the short term, West Germany's access to most raw material faces no threat, and has been improved through diversification of supplies. The main problem, as for other Western industrial countries, lies with minerals obtainable only from South Africa. Dr. Armin Gruenewald, the Government spokesman, made it clear that the main point of next spring's studies will be to guard against the disruptions of any United Nations sanctions against South Africa.

© Kenneth Marston, Mining Editor, writes: A major new mining operation can have a lead time to production of about eight years and the absence of any guarantee of security for the huge amount of finance involved over that period is a major barrier to new investment in developing countries. At the same time, however, it must be appreciated that because of the depressed level of most metal prices there is little major new mining investment taking place anywhere in the world at present.

## IG-Metall lock-out anger

BY OUR OWN CORRESPONDENT

BONN, Nov. 29.

IG-METALL, the West German steelworkers' union, called a mass meeting in Bochum this afternoon in protest against the lock-out of 29,000 men which the steel employers have called for Friday morning in retaliation against the strike in the industry which began on Tuesday.

There was little prospect, however, that the lock-out would be called off, and no sign of any peace moves from either side. Some 37,000 IG-Metall members in eight plants in the Ruhr are on strike, with a further 13,000 idle as a result.

The employers' federation said today that the dispute is already costing about 42,000 tonnes' production a day, worth DM 5.3m (£1.7m). These figures will go up to 60,000 tonnes worth DM 9m on Friday.

Despite general anger in the trade union movement at what Herr Eugen Loderer, the IG-Metall president, calls the "shameful weapon" of the lock-out, there is so far no sign that other unions plan specific action in solidarity with the steel strikers.

In an apparently isolated incident, however, printers in Bremen delivered a reminder of the still tense industrial relations in the news paper business when they refused to set an advertisement placed by the steel employers, which attacked IG-Metall in strong terms.

## EMS option urged for UK

BY REGINALD DALE

LORD THOMSON of Monifeith, chairman of the European Movement yesterday appealed to the UK's Common Market partners to keep the door open if necessary for Britain to join the planned new European Monetary System (EMS) after the next election.

He still hoped it would be possible for Britain to make the basic commitment at next week's Heads of Government meeting in Brussels, Lord Thomson said in Luxembourg. "If not, I hope that it will remain possible for the next British Government,

whether Labour or Conservative, to do so after the General Election which must take place not later than next autumn."

If the UK were not to join the EMS, it would become a founder member of a second division in the European league," Lord Thomson said in the Sir Winston Churchill Memorial Lecture.

The best way to ensure that the EMS took proper account of British needs was to be in on the ground floor shaping the monetary union from the beginning.

## WORLD BANKING CONFERENCE

### Socialist states 'can pay debts'

By John Wicks

ZURICH, Nov. 29.

SOCIALIST COUNTRIES are able to shape their economies in such a way as to secure servicing of their foreign debts, according to Mr. Jan Woloszyn, first vice-president of Bank Handlowy Warszawski, the Polish foreign trade bank. Speaking at the Financial Times World Banking Conference here today, Mr. Woloszyn said that in evaluating problems of the increasing indebtedness of these countries, the West relied to a large degree on conventional methods of assessing foreign risks in respect of market economies.

In fact, it was the total export value of individual Socialist countries which reflected economic potential and not just deliveries to market economies alone. A great part of the credits involved went to strengthen industrial potential and thus produce future hard-currency earnings sufficient to cover repayment.

Mr. Woloszyn said natural resources and various domestic indicators should also be looked at in the assessment of national risks.

Offering suggestions that East-West trade might be facilitated by the introduction of convertibility to Comcon currencies, he said he thought western exporters and importers found it quite convenient to settle their accounts in their own currencies. Furthermore, the long-lasting instability of the monetary system of capitalist countries exerted a strain on East-West trade.

Mr. Woloszyn added that he fully shared the view of economists calling for closer co-operation between East and West in efforts to stabilise the world monetary system.

Mr. Woloszyn confirmed a statement made in a speech given at the conference today by Mr. M. S. Mendelsohn, associate editor of The Banker, that discussions were taking place on the arrangement of a \$500m Eurocredit for Poland. Talks were not yet at the negotiating stage, however.

Re-course by the Kingdom of Spain to international capital markets next year is likely to be very limited or "perhaps even negative," according to Jose Alvarez Rendiles, Governor of the Bank of Spain. This would not exclude the possibility of carrying out some very selective operations in one or two markets to keep the country in the eyes of investors "and explore some important markets from which Spain has been absent until now."

The Spanish balance of payments on current account should be more or less in equilibrium in 1979, said Sr. Alvarez Rendiles, showing a surplus of some \$400m excluding foreign loans. If, on the basis of the high reserves level at the end of this year, a low reserves target were set for 1979, net receipts from foreign borrowings should be about zero.

Spain's activity in the markets would then be limited to carrying out new operations roughly equal to the total of planned repayments, estimated at around \$2.75bn. This gross financing figure took into account foreseeable needs of the private sector and of public agencies and organisations.

The availability of a 6 per cent exchange rate margin to new countries removed the last economic obstacle in the UK entering the European Monetary System, the conference was told by Samuel Brittan of the Financial Times. This gave a total band of 12 per cent between the strongest and weakest currency. Mr. Brittan said he had confirmed that these terms were available to the UK as well as in Italy. The British government had been wrong to reject wider margins within the "moving band" proposal.

The line of British Ministers in waiting for terms "was most unconvincing. Nothing was likely to emerge from subsequent detailed negotiations which would turn the balance in one way or another. This was a convenient pretext for delaying a decision, he said.

Mr. Brittan warned against the UK joining the EMS without any domestic medium term monetary plans, or for these to be conditional on the success of pay policy. The result, if the exchange rate could be held at all, would be a period in which British industry became uncompetitive internationally, followed by a crisis and a sudden devaluation. "British membership could not survive more than a couple of such surges."

On the other hand, not even a benevolent dictator would wish to adjust British monetary policy abruptly. The worst course of all would be the apparent compromise of devaluing and then joining.

FINANCIAL TIMES, published daily except Sundays and public holidays. Subscription £205.00 (air freight) £240.00 (air mail) per annum. Second class postage paid at New York, N.Y.

## EEC report on Spain entry problems

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE EUROPEAN Commission recommended today that the application of the principle of free movement of goods to Spain should be closely linked to its acceptance of Community policies for the restructuring of crisis-struck industries after it joins the EEC.

In its long-awaited formal opinion on the Spanish application for EEC membership, it says that Spain should be associated before entry with the Community's efforts to restructure the textiles and steel sectors. In return, the EEC should offer Spain aid to facilitate industrial reconversion.

Noting that Spanish industry is highly competitive in a number of sectors where the EEC is currently facing severe problems,

the report warns that Spain's membership could give rise to "acute tensions" unless careful measures are taken to cushion the impact of restructuring.

On the agricultural side the Commission suggests that the extension of the Common Agricultural Policy in Spain should take place progressively.

The report suggests no date for Spain's entry and leaves open the question of how long a transition period it should be granted after accession, though it says that this should not exceed ten years.

The exact periods should be decided in the course of membership negotiation and could differ from one sector to another.

Though demand from Spain could reduce slightly traditional

surpluses of northern European products like beef and milk its entry could lead to serious overproduction of products like olive oil, wine and certain fruit and vegetables. The EEC must act as soon as possible to prepare appropriate market rules for these products and step up structural aid to agriculture.

The report suggests no date for Spain's entry and leaves open the question of how long a transition period it should be granted after accession, though it says that this should not exceed ten years.

The exact periods should be decided in the course of membership negotiation and could differ from one sector to another.

Though demand from Spain could reduce slightly traditional

surpluses of northern European products like beef and milk its entry could lead to serious overproduction of products like olive oil, wine and certain fruit and vegetables. The EEC must act as soon as possible to prepare appropriate market rules for these products and step up structural aid to agriculture.

The report suggests no date for Spain's entry and leaves open the question of how long a transition period it should be granted after accession, though it says that this should not exceed ten years.

The exact periods should be decided in the course of membership negotiation and could differ from one sector to another.

Though demand from Spain could reduce slightly traditional

BRUSSELS, Nov. 29.

Spain should also aim to align its "conditions of work," presumably by raising the wages of relatively poorly paid workers, with EEC standards. Without this step, the Commission suggests that it would be difficult to extend the principle of free movement of labour to Spanish workers.

Externally, Spain's membership will create new problems for the EEC's commercial relations with non-member Mediterranean countries and the developing world. Israel, Morocco, Tunisia and Cyprus are likely to suffer particularly heavily from increased competition from Spain for EEC markets, and the EEC must help these countries to diversify their trade over the long term.

## French Foreign Minister is Giscard's man

BY ROBERT MAUTHNER

PARIS, Nov. 29.

M. JEAN FRANCOIS-PONCET, who was today appointed as the new French Foreign Minister in succession to M. Louis de Guiringaud, is very much President Giscard d'Estaing's own candidate and has been groomed for the job for at least two years.

Tall, urbane, with thinning fair hair, the 50-year-old career diplomat, who has been the President's principal aide at the Elysée Palace since July, 1976, has the sort of background which sends shivers of pleasure down the back of an editor of "Who's Who."

The son of one of France's most famous diplomats of the past 50 years, M. Andre Francois-Poncet, who was successively ambassador to Hitler's Germany and Mussolini's Italy during the decade stretching from 1931 to 1940, and again ambassador in West Germany after the Second World War, the new French Foreign Minister has all the right qualifications.

After graduating brilliantly from the Ecole Nationale d'Administration (ENA), France's famous nursery for civil servants, M. Francois-Poncet joined the diplomatic service in 1955 and, only two years later, became a member of the staff of M. Maurice Faure, then State Secretary for Foreign Affairs.

If M. Francois-Poncet has the reputation of being a convinced "European," his enthusiasm certainly dates from this period. M. Faure, one of the leading French supporters of European integration of the post-war period, it is said to have had a profound influence on him. And setting up of the European Monetary System, but he will still be in the chair when the negotiations on the Treaty of Rome, which set up the European Community, are held in June next year.

Though he has also had experience in other French Ministry Departments, like those dealing with Africa and the

Middle East, M. Francois-Poncet remains essentially a European expert, unlike M. de Guiringaud, whose main interest was the Third World.

There can be little doubt that his particular qualifications in this field weighed heavily in favour of his appointment.

France takes over the chair of the European Community's Council of Ministers on January 1 and President Giscard has made no secret of his intention to make the six months period French supporters of European integration of the post-war period, it is said to have had a profound influence on him. And setting up of the European Monetary System, but he will still be in the chair when the negotiations on the Treaty of Rome, which set up the European Community, are held in June next year.

Not only will M. Francois-Poncet play a leading part in the Council of Ministers on January 1 and President Giscard has made no secret of his intention to make the six months period French supporters of European integration of the post-war period, it is said to have had a profound influence on him. And setting up of the European Monetary System, but he will still be in the chair when the negotiations on the Treaty of Rome, which set up the European Community, are held in June next year.

It can be taken for granted that the new French Foreign Minister will faithfully reflect the President's views. Under

the Fifth Republic, foreign policy has always been the special preserve of the Head of State and no Foreign Minister with initially independent ideas could possibly survive for very long.

However, a Foreign Minister who is completely in tune with the President's basic philosophy and policies can clearly exercise considerable influence by virtue of his specialist knowledge. M. Francois-Poncet is well placed to play such a role.

After having been lured back to Government service by the President, following a brief two-year spell as chairman of the family steel company, M. Francois-Poncet has been associated closely with all aspects of French foreign policy. First as State Secretary for Foreign Affairs and then as Secretary-General at the Elysée.

He has accompanied the President on all his official visits abroad.



Jean Francois-Poncet

## When you want to cut capital costs, take your first slice from Norwest Holst.

Our everyday achievements have included: shifting millions of cubic metres of earth for road schemes, completing excavations and foundations for 700,000 cubic metre capacity oil storage installation for Shell UK Oil.

Employ the skills of Norwest Holst Group at any stage of your requirements: for every type of building—from town centre, commercial and industrial development to house building, leisure facilities and refurbishment; for works with pre-cast concrete and structural steelwork; for complete site investigation, earthmoving and foundations; for major civil engineering works and services. All backed by specialist engineering design services.

Because our total capability extends across all aspects of construction and civil engineering work, your company will soon come to appreciate us for our sheer weight of engineering knowledge and excellence; for our dedication to the highest standards of accuracy and skill; for our nonsense ability to produce the answers each client needs—to budget, to standard, and to time.

Use the coupon now to discover how best you can employ us.

The Norwest Holst Limited, 35 Chesham Place, London SW1X 8HB. I would like to see how the skills of Norwest Holst could work to my company's advantage.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

FTS

## Punch

### IF IT'S CHRISTMAS YOU HAVE TO LAUGH

Christmas wouldn't be Christmas without the kiddies being sick, without a week of turkey fritters, five dozen phosphorescent socks, flu, demands for income tax, arthritic in-laws, corked port, cold-starting problems, blocked drains, blocked noses, blocked roads and VAT...

...and you might not survive it without the great PUNCH CHRISTMAS NUMBER in the sparkling company of DAME EDNA EVERAGE, KEITH WATERHOUSE, ALAN COREN, BILL TIDY, ESTHER RANTZEN, LORD CHALFONT, ALEXANDER FRATER, HANDELSMAN, DAVID TAYLOR, PAUL JENNINGS, MILES KINGTON, KENNETH ROBINSON, E S TURNER, HONEYSETT, ALAN BRIEN, FAY MASCHLER, FFOLES, SHERIDAN MORLEY, HEWISON, WILLIAM DAVIS, CYRIL RAY and many, many more specially wrapped for the Season.

Unwrap the big PUNCH CHRISTMAS NUMBER today: it's still only 25p

FINANCIAL TIMES, published daily except Sundays and public holidays. Subscription £205.00 (air freight) £240.00 (air mail) per annum. Second class postage paid at New York, N.Y.



AMERICAN NEWS

Americans turning on to current affairs

By Jurek Martin  
WASHINGTON, Nov. 29. A VERY strange thing happened on U.S. commercial television last week. The most watched single programme, according to the A. C. Nielsen ratings, was "Sixty Minutes" which deals exclusively with current affairs.

A spokesman for A. C. Nielsen said today he could not remember the last time a regularly scheduled current affairs programme had topped the ratings. CBS, the network which produces "Sixty Minutes," said that the success was unparalleled in the programme's 10-year history.

Administration looks for ways to ease pay code

BY STEWART FLEMING

NEW YORK, Nov. 29.

OFFICIALS OF the Carter Administration are examining ways of easing some of the guidelines in phase two of its voluntary wage and price policy, in order to improve the chances of enforcing the programme. This represents a significant retreat by the Administration from the position taken by President Carter himself, that the guidelines could not be softened.

U.S. proposes plan to solve Cyprus issue

By David Buchan

WASHINGTON, Nov. 29.

THE U.S. has proposed a new plan to solve the four-and-a-half-year-old Cyprus dispute. State Department officials said today. The aim is to provide the basis for a resumption of negotiations between Greek and Turkish Cypriots, under the aegis of Dr. Kurt Waldheim, the United Nations Secretary-General, as called for in a Security Council resolution on Monday night.

The 12-point agenda, drafted by the State Department in collaboration with the UK and Canada, calls for the Turkish community to cede "significant" amounts of territory seized in 1974, and a carefully calibrated federal Government—with Turks and Greeks equally represented in a legislative upper house.

corporations to choose a form of price control which would not seriously inhibit their ability to pass costs on to their customers. Mr. Barry Bosworth, director of the Council on Wage and Price Stability which is responsible for administering the policy, has told business leaders that the Administration is considering tightening the profit margin test for price increases. The Administration has clearly been concerned that companies will elect to abide by the programme's profit margin controls which would allow them to pass on cost increases more easily, rather than meet the price guidelines. These permit companies to raise their prices over the programme's 12-month period by no more than the average 1976-77 annual increase less half a percentage point.

CFTC to press ahead on interest rates futures

BY DAVID LASCELLES

NEW YORK, Nov. 29.

A TIMETABLE to process applications to trade in financial instrument futures—a means of hedging against fluctuations in interest rates—has been established by the Commodity Futures Trading Commission, the regulatory body for the industry.

The Commission earlier received a letter from the U.S. Treasury questioning whether such futures—which are only traded on a few exchanges, mainly in Chicago—were in the public interest, and what impact they might have on government debt management.

The Treasury and the Fed also asked the Commission not to approve applications for trading in new instruments until their impact had been studied. The Commission acts independently of both the Treasury and the Fed, and has been keen

Hopes rise for an end to Belize wrangle

By Our Foreign Staff

HOPES FOR a solution to the long-standing wrangle between Britain and Guatemala over the future of Belize (formerly British Honduras) are rising following the presentation of a four-point British plan to the Government of General Romeo Lucas in Guatemala City.

The Belizean Government of Mr. George Price has refused to move the country to independence from the present status of a Crown colony without a defence guarantee from Britain to secure its borders from Guatemalan invasion.

The plan which reportedly been approved by Mr. Price and Mr. Juan Lindo, the Belizean opposition leader, would ensure Guatemalan access to the Caribbean from its ports of Puerto Barrios and Santo Tomas de Castilla. In theory, access from these ports could be blocked by the day of Anahuac if Belize from the north and Honduras from the south extended their territorial waters for 200 miles.

Under the plan, Belize would undertake not to make such a move.

To meet the Guatemalan military Government's nervousness about Belize becoming a base for Cuban and other left-wing infiltration in the area, Belize would also undertake not to sign pacts with third parties without the agreement of the Guatemalans.

Thirdly, Belize would give preferential treatment to goods destined to and from Guatemala at the port of Belize City. Guatemala has long argued that the fact that it did not control Belize and that access to Belize City was difficult had acted as a powerful brake on the development of Guatemala's northern department of Peten.

Lastly, Britain would contribute to opening up communications between Belize and Guatemala. This would be a gesture towards the Anglo-Guatemalan agreement of 1859 which committed Britain to build a road to Guatemala. The treaty was not ratified and Britain never built the road.

Dr. Owen and Sr. Castillo Valdes are understood to have got on well at their September meeting, and since taking power in July the Lucas Government has moved to damp down anti-British sentiments among the small section of the Guatemalan population which follows the Belize issue closely.

It is recognised, however, that it will be a difficult political process for any Guatemalan Government to abandon such a large territorial claim and dismantle the machinery set up several decades ago to pursue the issue.

The UN committee on decolonisation is expected to reconsider the Belize situation in New York shortly.

GUYANA'S TROUBLES

Burnham dissociates himself from Jonestown tragedy

BY HUGH O'SHAUGHNESSY, RECENTLY IN GEORGETOWN

PRIME MINISTER Forbes Burnham being the agile politician that he is, it did not take many hours from the time of the announcement of the horrific deaths and killings at the People's Temple settlement at Jonestown earlier this month for the Guyanese government to dissociate itself as much as possible from the tragedy.

Mr. Christopher "Kit" Nascimmento, the Minister of State in the Prime Minister's Office and a former information chief who was on an assignment in the U.S. made the point that the late Mr. Jim Jones and most of the Jonestown victims were U.S. citizens and the affair had little to do with Guyana.

Mr. Nascimmento also pointed out that the People's Temple cult had produced some impressive testimonials, including a letter of mild approval for their work from Mrs. Rosalynn Carter.

Whatever connections there were between Mr. Jones and the government—and there are clear indications that they were quite strong—Mr. Burnham needs to put as much distance as he can between the sect and himself.

He has too many political and economic difficulties on his plate already to afford mud from Jonestown to rub off on to him.

Jonestown with its thousands of inhabitants and well managed farms sited in the far North-west of the country was a valuable strategic pawn in the diplomatic game with Venezuela, which has an outstanding territorial claim to much of empty western Guyana.

The Government has to explain why, despite warnings, it did nothing to investigate allegations of malpractices in Jonestown and allowed Mr. Jones to keep large quantities of firearms, ammunition, foreign currency and foreign securities, all of which are strictly controlled in the rest of Guyana.

Refugees from Georgetown tell of relatively frequent visits to the Jonestown by Ministers while the sect's own published material about Mr. Burnham's government—One brochure commented "Valuable in-kind services have been provided by the Guyana government on a number of occasions."

Guyana is in severe economic straits and Mr. Burnham's administration is unpopular and the deficit on current account for the support he receives from a large number of foreign capital



Mr. Forbes Burnham, the Guyanese Prime Minister.

Behind the official figure of the turnout was 71 per cent a close monitoring of the polling stations by the Opposition pointed to an abstention figure of 88 per cent.

The protests about the referendum, echoed local and international condemnation of the conduct of the 1982 and 1973 general elections, which Mr. Burnham won by big majorities.

Were fair elections held in Guyana, leading lawyers and churchmen claim, the Government would not get more than about 15 per cent of the vote. They say that much of the Government's trouble stems from the continuing racial complexion of politics. The PNC—effectively appeals to the urban Negro vote and the principal opposition party, the Moscovite People's Progressive Party led by Dr. Cheddi Jagan pulls more voters from the East Indian majority which lives in the countryside.

Such have been the electoral irregularities, Mr. Burnham's critics say, that it is difficult to get a clear idea of the strength of the parties. The only sure thing is that the PNC can no longer command a majority.

But popular discontent is based on something more tangible than unhappiness with electoral irregularities.

Guyana's economy has been going through a hard year and things will get a lot tougher. Consequently the PNC's racial constituency, the urban Negroes in this underpopulated country of 800,000 people, has become increasingly restive.

The situation was succinctly put by the Government in the letter of intent it wrote to the International Monetary Fund on June 12 seeking a stand-by credit. "Guyana's balance of payments has been under severe pressures since the latter part of 1975. Exports fell by nearly one-third between 1975 and 1977. This country, with its spot assets and great underexploited natural resources could become very rich. If that doesn't happen Guyana could take the road Rajiv took a long time ago."

Fly the Big Orange to the Big Country.

The only daily 747 non-stop to Dallas-Fort Worth and South-Western U.S.A.

No other airline comes within sight of it. The only 747 non-stop daily service to America's South-west from Britain, the only non-stop service from London Gatwick to Dallas-Fort Worth. THE DALLAS-FORT WORTH GATEWAY. Dallas-Fort Worth is the newest and most convenient gateway to America's Big Country. And from there, only Braniff offers direct connections to 20 cities throughout the Southwest, Far-West and Mid-West of the USA and Mexico. For example:

Leave London Gatwick	11.45am
Arrive Dallas-Fort Worth	3.05pm
Houston	4.50pm
Las Vegas	4.45pm
San Antonio	4.47pm
Oklahoma City	5.00pm
Tulsa	5.10pm
Denver	5.30pm
Kansas City	6.40pm
Mexico City	7.10pm
Leave Dallas-Fort Worth	6.45pm
Arrive London Gatwick	9.15am

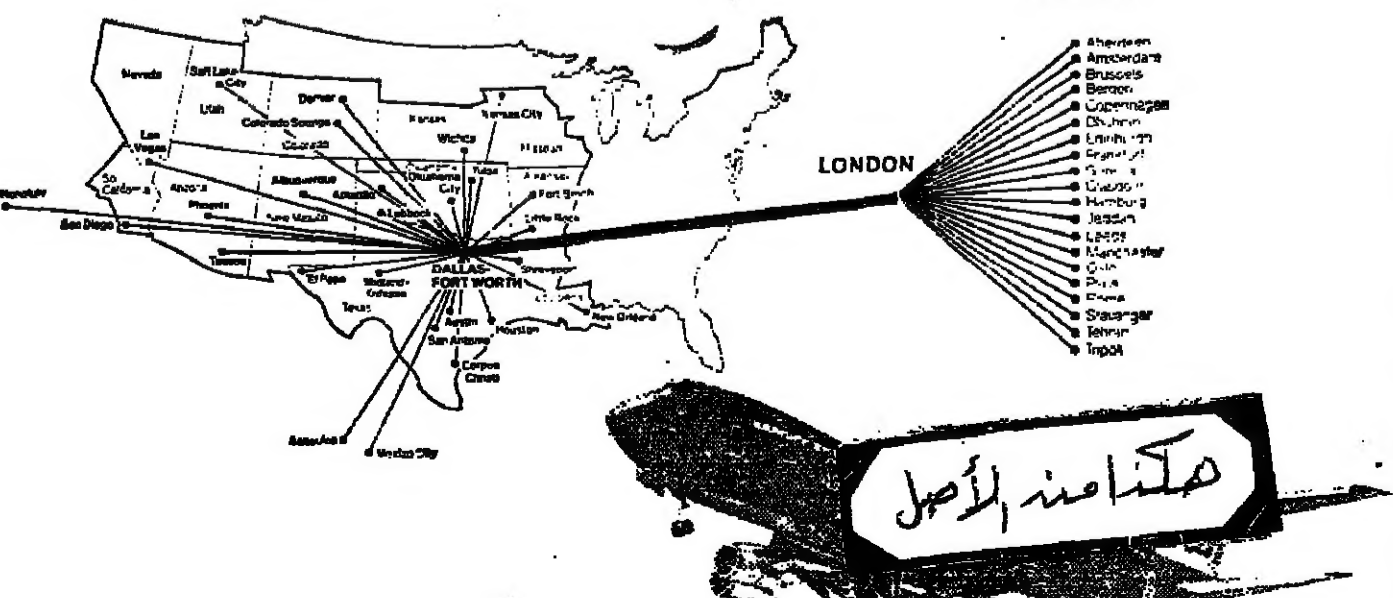
There is a helicopter link, or a ground link, free to Braniff passengers flying into Heathrow en route to Gatwick for the Braniff flight.

**FARES**  
There is a wide range of low fares, including First Class, Economy, Advanced Purchase, Excursion, Budget and Stand-by. To Dallas-Fort Worth there are no lower fares than Braniff's.

**RESERVATION SERVICE**  
For flight schedules and reservations (including seat assignment) call your travel agent or the Braniff reservations centre in London 01-491 4631.

Aberdeen  
Birmingham  
Edinburgh  
Glasgow  
Liverpool  
Manchester  
Sheffield

In these cities Dial 100 and ask Operator for Freefone 2276



**BRANIFF INTERNATIONAL**  
Mainland USA, Alaska, Hawaii, Mexico, South America and Europe.

U.S. considers return to ILO

LIMA, Nov. 29.

MR. ROBERT J. BROWN, the U.S. Under-Secretary of Labour, said yesterday that he was optimistic that the U.S. would rejoin the International Labour Organisation because it "is gradually returning to the basic principles it was founded upon."

The U.S., which contributed 25 per cent of the ILO budget, left the organisation last year because it felt the agency was spending more time advancing third-world ideology than bettering the world's working conditions.

MAPCO: 15th DIVIDEND INCREASE IN 13 YEARS

MAPCO announces yet another dividend increase for the third quarter of 1978. MAPCO dividends have risen steadily from an annualized figure of 10c back in 1965 to the present \$1.30. "This latest increase, the 15th since 1965," says Robert E. Thomas, Chairman of the Board, "demonstrates once again our confidence in the continued growth in MAPCO's operations, earnings and cash flow."

Interested in MAPCO's "continued growth"? Write for our latest report.

mapco

Sponsored by the Financial Times, The Institute of Chartered Accountants in England and Wales, International Computers Limited in association with the Institute of Directors and the Confederation of British Industry

The Tenth National Management Game 1979

\* Due to considerable volume of late applications entry date now extended to DEC. 1

You will thoroughly enjoy the thrilling, mind stretching experience of the 10th National Management Game, and it could develop a mastery of business strategy. That's judging by the effects on 45,000 participants in previous years. Teams have to solve complex marketing and production problems, with the highest net profit as the goal. It's an ideal form of business training — stimulating, creative, demanding.

Prizes are worth over £5,000. The first prize will be £2,000 plus admission to the European Management Game Final in Paris in September, 1979. There will be cash prizes for second, third and fourth, and silver "Armada Dishes" for all finalists. The presentation will be in London in July 1979. Both British and European finalists are given free travel and accommodation. Entry forms must be received by November 6, 1978.

National Management Game 1979

To the National Management Game Administrator, International Computers Ltd., Victoria House, Southampton Row, London WC1B 4EJ. Telephone: 01-242 7806.

Prizes worth over £5000 including cash prizes for all finalists.

I enclose the entry fee of £80 (incl. VAT) ☐  
Please send an entry form and full details of the 1979 NMG ☐  
Please tick appropriate box  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
FTZ



## WORLD TRADE NEWS

## UK banks to sign \$1.2bn credit deal with China soon

BY LORNE BARLING

SEVEN BRITISH banking groups are to conclude a \$1.2bn line of credit agreement with the Bank of China next Wednesday. Ten banks are involved but some will jointly sign the agreement which will be split equally between the seven groups and will be for identical terms of five years at 7½ per cent.

The groups are Barclays, Midland, National Westminster, Standard and Chartered, Williams and Glyn's and the Royal Bank of Scotland. S. G. Warburg and Lloyds International, Kleinwars Benson and the Bank of Scotland.

The Export Credits Guarantee Department, which has played a major part in negotiating the agreement, will provide backing

of 85 per cent of the value of individual contracts and the Chinese will pay the remaining 15 per cent in cash.

The credit line, which differs in some respects from normal agreements of this kind, is the first to be negotiated by the Chinese and will be a major incentive for British exporters to go ahead with proposed export contracts.

Each bank is expected to sign individual agreements with the Bank of China, but it is expected that more normal buyer credit agreements will follow later to finance larger contracts.

The Export Credits Guarantee Department, which has played a major part in negotiating the agreement, will provide backing

## Payments of claims on ECGD up 49%

FINANCIAL TIMES REPORTER

THE EXPORT Credits Guarantee Department, which recorded a 49 per cent increase in claims paid during the last financial year, estimates that total payments made in compensation for losses in Turkey will amount to \$180m in 1978, although arrangements have been made for its recovery.

It said that overall claims amounted to £94.2m during the period (compared with £63.1m the previous year), of which the major part was in connection with short-term business in Turkey, and more payments on longer term transactions were still to be made.

However, Mr. Kenneth Taylor, Secretary of ECGD, said that agreement had been reached with Turkey for phased repayment of debts, but the fact that even short term debt has been rescheduled indicated the size of the problem.

He added that an increasing amount of ECGD insured business was being insured in foreign currencies and amounted to 10.5 per cent of the total last year.

Despite fears that foreign banks based in London would take a disproportionately large share of foreign currency business, it is estimated that they provided not more than one-fifth

of the total although they joined syndicated financing arrangements on a substantial scale.

The total net cost to public funds of interest support for fixed rate sterling and currency export finance was £118m, compared with £220m in the previous year. This was due partly to the increase in the use of foreign currency financing.

Outstanding advances of sterling by the banks at fixed rates of interest in respect of insured credits of two years or more rose by £58m to a total of £4.2bn, compared with last year's £3.7bn. Of this total £1.9bn was refinanced by ECGD, 12.3 per cent less than at the end of March, 1977, because of the banks' agreement to increase the non-refinanced proportion.

The comparable outstanding advances of foreign currencies totalled the equivalent of 30.8m at the end of the year.

ECGD's foreign currency liabilities now total around \$2.5bn with business in hand worth an additional \$3.5bn, while sterling liabilities amount to about £21bn. ECGD last year insured 33 per cent of total UK visible exports, compared with 37 per cent the previous year, but Mr. Taylor said this proportion had improved in the last few months.

## Nigerian loan signed

A loan agreement was signed in London yesterday between Morgan Grenfell, West African Portland Cement, of Nigeria (WAPCO) and the ECGD.

The \$22.5m loan, the repayment and funding of which is guaranteed by the ECGD, is to be used to provide finance for a major contract between WAPCO and F. L. Smith for machinery and equipment for the extension to the cement works at Shagamu, in Ogun State.

The loan is repayable over eight years from estimated commissioning. The Blue Circle group who are shareholders in WAPCO have been appointed as technical consultants for the extension.

The loan is the first ECGD-backed buyer credit to a Nigerian borrower since 1970, and is the first UK export credit to Nigeria to be denominated in U.S. dollars.

Nigerian Eurocredit, Page 27

## EEC price for trade agreement

By David Buchan

WASHINGTON, Nov. 29. THE U.S. accepts that the European Community's Council of Ministers will not sign a multi-lateral trade agreement until

Congress, waives the counter-vailing duties imposed on subsidised EEC exports. Mr. Richard Cooper, Under-Secretary of State for Economic Affairs, said today.

He was addressing a Press conference after two days of talks with top EEC officials, in which both sides acknowledged that the present Geneva trade negotiations will run well into 1979. But both Mr. Cooper and Sir Roy Donnan, the EEC's External Affairs Director, emphasised today they still hoped to reach a basic understanding between the U.S. and the Community by Christmas on the substance of the Geneva negotiations.

Herr Wilhelm Haferkamp, the EEC External Affairs Commissioner, yesterday said President Carter. Both men stressed the need for speedy progress in Geneva.

Congress does not re-assemble until mid-January, and Mr. Cooper still held out the possibility that the Administration might, by its own action, delay the effect of countervailing duties on EEC exports. The Treasury Secretary, he said, was obliged by law to impose the duties, until Congress decides otherwise, but the Administration might just not collect the money from importers.

## Saudi expenditure curbs cause some problems for contractors

BY JAMES BUCHAN

JEDDAH, Nov. 29

ATTEMPTS to curb government expenditure in Saudi Arabia to reduce waste and cope with a revenue shortfall have been causing considerable problems for contractors. Many of them have been receiving reduced or delayed payments and there has been a slowdown in the agreeing of new contracts.

The Finance Ministry told other ministries when the new budget came into force last June that they could only spend 70 per cent of their allocation without obtaining special Finance Ministry permission.

Ministries appear to have interpreted the directive in different ways, contractors say, while three Italian road contractors have not been paid

since April. Some smaller companies which must pay 30-day demand bills are having to seek short-term borrowing from local banks or on the Bahrain offshore Saudi rial market.

These problems were compounded last week when the Saudi Arabian Monetary Agency (SAMA) temporarily refused to deal with claims from local banks which must deposit a proportion of their funds with it.

In London the Department of Trade said that a handful of British companies had reported payments problems. But it believed that the confusion which existed before had cleared up, and that the situation was improving.

The view that the railway will not solve Zambia's short-term problems is shared by the Zambian mining industry, which used to ship copper through the Angolan port of Lobito.

An industry official visited Lobito earlier this month for discussions with senior officials from Angola, Zambia and Zaire, although the Zaire representatives did not arrive.

The Presidents of the three States were to meet in Zambia on November 18, but the meeting was downgraded to Prime Ministerial level when it was learnt that President Manuful of Zaire could not attend. The meeting failed to take place when the Angolan delegation did not arrive.

Zambia had hoped to use the line to import technical and wheat, and to export cement as well as copper.

## Coal trade growth urged

BY KEVIN DONE

A BIG expansion of world coal trade in the late 1980s and the 1990s will be proposed by the International Energy Agency (IEA) in a major report to be published in the next two weeks.

The study suggests there could be a massive expansion of low-cost coal production in countries such as the U.S. and Canada, Australia, South Africa, India and Colombia.

It has important long-term implications for the coal industries of the EEC countries, especially the UK, West Ger-

many, Belgium and France, where coal production is based on much higher costs.

World coal production is currently running at about 5bn tons a year according to the IEA but less than 10 per cent of this total is openly traded. The rest is consumed locally by the producer countries.

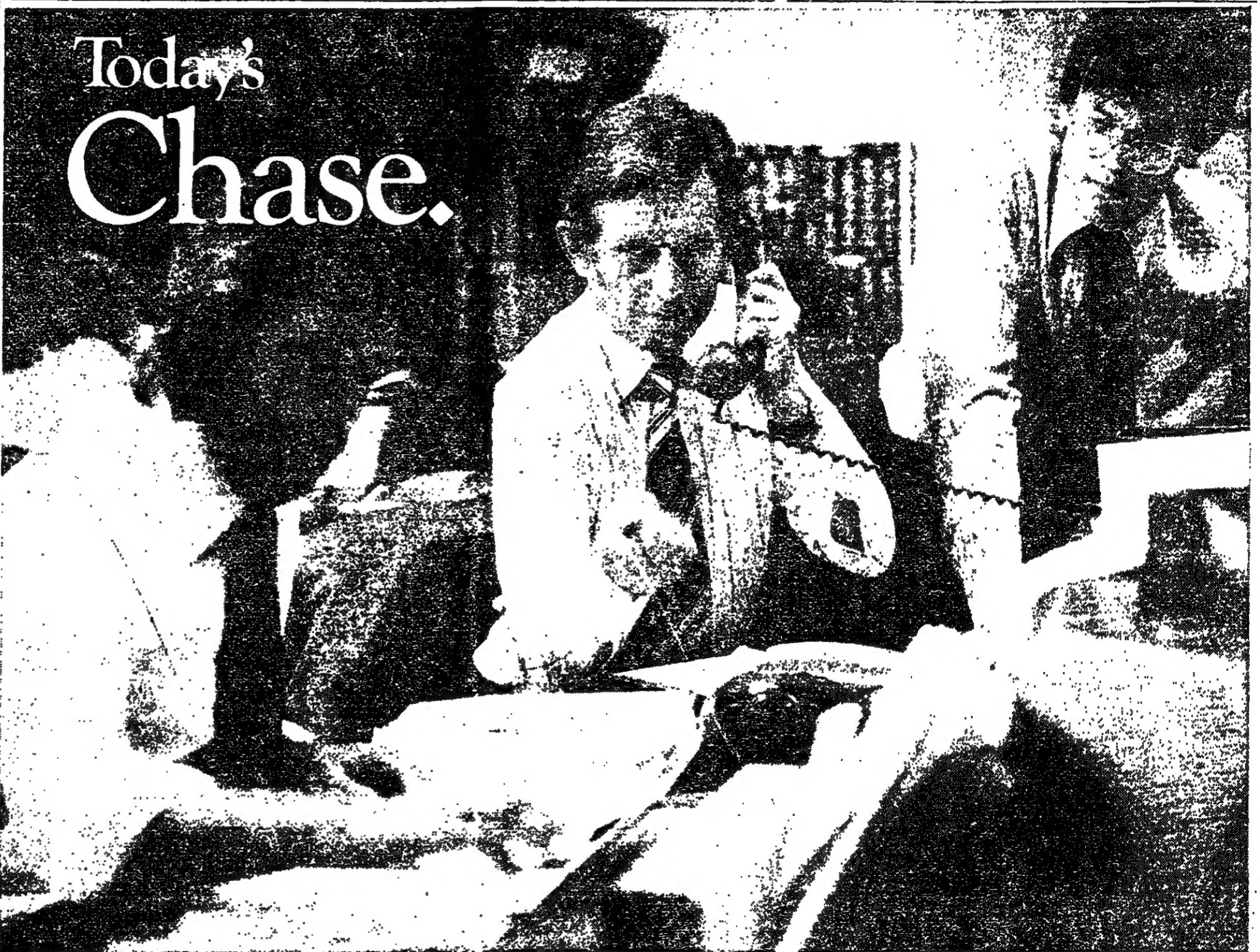
The UK Government is already having to subsidise some coal sales to the Central Electricity Generating Board in order to make coal a competitive fuel to burn in power stations instead of fuel oil.

## German subsidies

BONN, Nov. 29.

COUNT OTTO LAMSDORFF, the West German Economics Minister, hinted today that the Government may not extend the regulations keeping cheap imported coal off the domestic market when they run out in 1981.

In a speech to the Mining Industry Federation here today, he made clear that the Government stands by the overall policy of reliance on deep-mined hard coal. But he also said this could not be done at any price.



Alan H. Ulrich, Vice President, Manager, Foreign Exchange Trading, London.

# "Chase is much quicker on matters of foreign exchange. The deal is done on the spot." (Financial Director, major UK company)

Recently, an independent research company talked to 200 financial directors of major European companies; but in order that the respondents could feel free to talk openly their identities were not disclosed. The purpose of the survey was to discover Chase's strengths.

One particular virtue of Chase was clearly our foreign exchange expertise.

The advantage our dealers have is Chase's pre-eminent position in the dealing markets.

The advantage our customers have is that they are able to enjoy direct contact with the dealers. So needs are better understood and the service is faster.

A constant key to Chase's leadership emerging from the research is simply this:

Chase not only employ extremely good people,

but also give them a system in which they can operate as effectively as possible for customers.

The result is a highly personalised, very efficient service, praised by the respondent quoted above.

He added, "I'm influenced by the people I deal with in the banks—and personally I prefer the Chase Bank. They give excellent service and are always ready to give first-class advice. My first choice always."

He went on to sum up Chase's advantage in one word, "people."

Alan Ulrich who manages foreign exchange trading in London agrees. "Better bankers make Chase

a better bank."

**CHASE**



THE CHASE MANHATTAN BANK N.A., 60 WALL STREET, NEW YORK 17. CHASE HAS EUROPEAN OFFICES IN AMSTERDAM, ANTWERP, ATHENS, BARCELONA, BELFAST, BRUSSELS, COPENHAGEN, DUBLIN, DUSSELDORF, FRANKFURT, GENEVA, GYENT, GUERNSEY, HAMBURG, JERSEY, LIECHTENSTEIN, LONDON, LYON, MADRID, MILAN, MOSCOW, MUNICH, PARIS, PIREAUS, ROME, ROTTERDAM, SALONICA, STOCKHOLM, STUTTGART, ZURICH.

## THIRD WORLD INVESTMENT

## Suspicion remains greatest problem

BY OUR OWN CORRESPONDENT CASABLANCA, Nov. 29.

ONE OF the main problems facing private foreign investors in developing countries remains the suspicion in the host country that its sovereignty will be impinged upon, according to many delegates at a seminar here.

This suspicion often runs hand in hand with policies under which countries seek foreign capital by means of tax relief and tariff protection measures embodied in constantly revised investment codes.

At a seminar on investment and export industries in developing countries organised by the ICC at the Mohammedia seaside resort near here last week, some 125 delegates from 30 countries on both sides debated the problem. They concluded that co-operation was vital to the survival of both the industrialised and developing worlds.

The ICC believes direct foreign investment in developing countries reflects a basic convergence of interest between investors who seek markets, lower costs of production and sources of supply, and developing countries wishing to attract capital, technology and expertise from the industrialised countries.

In the ICC's view, foreign investments should provide benefits for both sides, but in recent times developing countries have been trying to get more from it than in the past. They have been placing more demands on investors seeking to do business in their markets. They have also sought to renegotiate contractual obligations for exploration and exploitation of natural resources.

These developments have often shaken the confidence of investors who claimed that the profitability of their investment was being diminished by new obligations put on them by the host countries, and this has created psychological and political blocks, and increased the risks.

Foreign investors may ask themselves, why bother? The answer according to several speakers at the seminar is that they have no alternative because in doing nothing would be fatal to the industrialised world in the long run and also spell disaster for the Third World.

For example, Dr. Fritz Paetzelt, head of the legal department of the German Development Company (DFG), said imports from cheap labour

countries made many Western products uncompetitive, while protectionism would make the companies economically unsound, and hence there had to be a shift from north to south.

This meant the transfer of the labour-intensive part of output to the developing countries in sectors like foods, tobacco, paper and board, pharmaceuticals, plastics, transformation, ceramics, precision mechanics and optical industries.

Mr. Carl-Henrik Winquist, secretary-general of the ICC, stressed in an interview that the West must make profound structural changes to match its efficiency with its technology. He said while it took three British steel workers to produce as much as one German, it took three Germans to match one Japanese, and as a consequence the West had already lost many markets for steel, textiles and ships, and was in the process of losing others for cars, electronics and chemicals.

Top executives from Western companies with long experience in the field all said they want to co-operate, not dominate, and since partners in joint ventures needed each other there was no reason why solutions to all these problems could not be found in means of negotiation in a proper framework.

Frequently cited as very successful examples of co-operation were Hong Kong, Singapore, Taiwan and the Philippines. They showed that political stability was the main guarantee of success, coupled with government willingness to attract investors and give them what they want. As Abderrahman Tal, chairman of the Moroccan ICC, said, the secret of success is the "political volition" of the host country.

South-East Asia was seen as an area with major attractions for foreign investors, notably plenty of raw materials, a large pool of skilled labour, competent local companies or entrepreneurs and big regional markets.

There was more talk about the political or investment climate in developing countries than anything else. Creating conditions conducive to raising foreign investment in the mutual satisfaction of both investors and host country was the subject of some contradictory debate, but in the end it seemed the problem was clarified if not solved.



## OVERSEAS NEWS

## Gandhi election setback

By K. K. Sharma

NEW DELHI, Nov. 29. THE MUCH battered ruling Janata party today got a shot in the arm when its candidate, Mr. Ajit Kumar Mehta, won a bitterly contested parliamentary by-election in the Samastipur constituency in Bihar state. He defeated Mrs. Indira Gandhi's Congress candidate by over 27,000 votes.

The victory comes after Mrs. Gandhi won a parliamentary by-election in the northern state of Karnataka earlier this month. Had the Janata lost, the implication would be that Mrs. Gandhi had made inroads into the northern states where her party was totally wiped out in the 1977 general elections.

The Congress defeat is by a markedly low margin since Janata won Samastipur by more than 300,000 votes in 1977. Janata has won nevertheless at a time when it is torn by internal dissensions and this is taken by its leaders to mean that Mrs. Gandhi has not regained her popularity in the north.

This claim will be tested again next Sunday when another parliamentary by-election is to be held in the Patna constituency in the key northern state of Uttar Pradesh. Mrs. Gandhi's party has already won one parliament seat from Uttar Pradesh this year and another victory would enable her to claim with more conviction that the people want her and not the Janata.

## Japan flights hit by strike

By Charles Smith

TOKYO, Nov. 29. JAPAN AIR LINES cabin crew, who struck last week in support of a claim for a year-end bonus payment equivalent to 5 months wages, have stopped work again this week in protest against alleged attempts by management to prevent workers from joining their latest union. JAL was expected to have to cancel 80 per cent of 142 domestic and international flights today, losing up to \$4.5m worth of revenue. During three days of strikes last week the airline cancelled an average of 80 per cent of its flights losing at least \$8m worth of revenue.

JAL differs from most Japanese companies in having no fewer than four different unions, several of which are regarded as fairly militant by management. The latest union, the 11,600-strong Japan Air Lines Workers Union, which comprises mainly ground staff, has followed a relatively co-operative line.

A small leftist union called the Japan Air Line Labour Union, on the other hand, has a militant record. Both the cabin crew and cockpit crew unions are hard-line by the standards of Japanese organised labour.

## Egypt ready to accept U.S. plan on West Bank

By Roger Matthews

CAIRO, Nov. 29. MR. MUSTAPHA KHALIL, Egypt's Prime Minister, is expected to tell President Jimmy Carter on Friday that his Government is willing to accept the U.S. compromise proposals for a time-table leading to Palestinian self-rule on the Israeli-occupied Gaza Strip and West Bank.

This issue, which has brought peace talks between Egypt and Israel to a virtual halt, will be dealt with in an exchange of letters that will accompany the treaty. Egypt is determined that there should be some firm link between the bilateral treaty and progress towards Palestinian

autonomy, but this has so far been rejected by Israel. Mr. Khalil, who left here today for the U.S. via Paris, will later visit a number of European capitals, probably including London, to explain the Egyptian stance. By agreeing to the U.S. compromise proposals on the West Bank and Gaza—which are understood to call for elections to a self-governing Palestinian authority three months after Egypt and Israel exchange ambassadors—President Anwar Sadat would again appear to have manoeuvred Mr. Carter and Mr. Menachem Begin, Israel's Premier, into direct confrontation.

## Mayor wants PLO in talks

By David Lennon

THE PALESTINIANS of the densely populated Gaza Strip will have nothing to do with the Israeli-proposed autonomy plan unless the PLO is brought into the negotiations and Israel clarifies its ultimate intentions for the area, according to Mr. Rashad A-Shawa, the Mayor of Gaza.

Having just met Mr. Yasser Arafat, the PLO leader in Beirut, the mayor found that the Palestinian leadership and the people of Gaza were in complete agreement in their rejection of the plan for local self-government which was agreed upon by Israel, Egypt and the U.S. at the Camp David summit.

Mr. A-Shawa says that the Camp David formula is too vague. Because experience of 11 years of Israeli rule has taught him that Israel is a tough negotiator, he wants a number of points clarified before he would consider joining any negotiation. President Sadat's current effort to link the future of the Gaza Strip and West Bank to the Egyptian-Israeli peace treaty is seen by the Mayor as a belated realisation of the need to solve the Palestinian issue before Egypt withdraws from the struggle.

But, for Mr. A-Shawa, setting a timetable or a target date for implementing the autonomy plan is less important than clarifying the final status of the occupied territories.

The points which the mayor believes must be settled before negotiations can begin include, primarily, finding a formula to enable the PLO to participate in the talks. Without the PLO there can be no negotiations, he says.

Other points he wants to see clarified are the status of the occupied territories after the transition period of local autonomy and what borders of the Palestinian State would be after a peace agreement is reached.

Mr. A-Shawa also wants Israel to stop building new settlements in the occupied territories and to agree to disband the existing ones or to hand them over to the Palestinian authority for the rehabilitation of the refugees.

Those Palestinians living outside the West Bank and Gaza Strip must have the right to return, if they wish, he adds.

Meanwhile, school children in Ramallah and Halbul on the West Bank marked Palestine Day, the anniversary of the 1947 UN resolution, by demonstrating against the Israeli occupation.

## Amman accord on Palestinians

By Rami G. Khouri

UPGRADING of the Palestine Liberation Organisation's offices in Amman and close co-ordination of joint financial and technical assistance to Palestinians living under Israeli occupation are two major results from PLO-Jordanian talks, which have been held in Amman this week.

A PLO delegation of four headed by Mr. Khaled Fabbouh, president of the Palestine National Council, returned to Damascus and Beirut last night after four days of talks with a Jordanian Government team headed by Mr. Mudar Badran, the Prime Minister. The PLO team had two brief meetings with King Hussein.

The discussions with the five-member team of Jordanian Ministers agreed on a fresh basis for political and economic co-

operation between the two sides. This was reported in the joint communiqué issued by the official Jordan news agency. Both sides promised not to interfere in the domestic affairs of the other, and reaffirmed that the PLO was the sole legitimate representative of the Palestinians.

It has been decided to upgrade the PLO's small Amman office and to transport to Amman two PLO offices now based in Jordan and Lebanon. These will have a special responsibility for the affairs of the occupied West Bank and Gaza Strip, including the disbursement of financial aid.

Both sides agreed to channel all assistance to the occupied territories through Jordanian Government routes, and to co-ordinate assistance plans closely

to avoid duplication or competition. The atmosphere surrounding this week's talks was unusually cordial. The attention shown to the Palestinians indicates a new cordiality and a new determination by the Jordanian-PLO ties that was confirmed by the communiqué's joint rejection of the Camp David arrangements for the West Bank and Gaza.

The Jordanians have rejected long-standing Palestinian demands to station commandos in Jordan and even to assert a measure of authority over Palestinians who carry Jordanian passports. The PLO has accepted Jordan's firm rejection of these demands as "final, and the dialogue is proceeding on the basis of attainable goals and practical co-ordination."

The Jordanians have rejected long-standing Palestinian demands to station commandos in Jordan and even to assert a measure of authority over Palestinians who carry Jordanian passports. The PLO has accepted Jordan's firm rejection of these demands as "final, and the dialogue is proceeding on the basis of attainable goals and practical co-ordination."

## Lull in Peking poster campaign

By John Hoffman

PEKING, Nov. 29. THE WALL-POSTER campaign in Peking quietened today, indicating that the first flush of almost hysterical enthusiasm had waned.

Peking streets were busy tonight but the atmosphere among the crowds was more subdued than in the past few evenings. Few new posters were eager to be seen.

Several hundred people gathered at the monument to the heroes of the revolution in Tiananmen Square. One factor which may have taken some of the vigour out of the wall-poster campaign is the widely-publicised tolerance with which the Chinese Government regards it.

There has been no attempt to interfere with the display of posters or to inhibit street meetings, although photographs were taken at one rally this week by cameramen believed to be from the public security bureau (the Peking police force).

Vice-Premier Teng Hsiao-ping, who has made several references this week to the public campaign for democratic rights, said he approved of the wall-posters and observed that much of the opinion expressed was right.

A Chinese student interviewed in Peking's main street tonight agreed that one of the campaign's demands—freedom of expression—seemed to have been tacitly granted already. "But two years ago we would not have dared speak to you," she said.

Foreigners continue to be sought out by the streets by groups of Chinese who want to explain the objectives of the poster campaign. They are anxious that their aims should be properly understood. "We want some of the freedoms that exist in other countries," said one Chinese. "We want to be able to choose our own jobs and we want better living conditions. But we are not asking for luxuries."

"This is a socialist country and we want to work for China. With better conditions we could work more effectively," the Chinese said.

Reuter adds from Peking: Senior Vice-Premier Teng Hsiao-ping said today there would be no top-level change in China's leadership despite criticism of some of the country's modernisation plans. The meeting is believed to involve the Communist Party politburo or central committee.

In a meeting with Yoshikatsu Takeiri, chairman of Japan's opposition Komei Party, Mr. Teng also praised the appointment of Hu Kuofeng as premier two-and-a-half years ago and said he himself did not want the job. China now needed unity and stability, he added.

The vice-premier said a high-level meeting was nearing its end in the Chinese capital and that the country's modernisation plans. The meeting is believed to involve the Communist Party politburo or central committee.

China sharply downgraded its representation at an Albanian national day reception in Peking today, underlining the deterioration in relations between the two former allies.

The senior Chinese present at the reception was vice-foreign Minister Yu Chan, who is in charge of East European affairs. China was represented last year by politburo member Ulanfu, also a vice-chairman of the standing committee of the National People's Congress (parliament).

## S. Africa fines Rennie's men

By Bernard Simon

JOHANNESBURG, Nov. 27. FIVE SENIOR executives of Rennie's Consolidated Holdings, South Africa's largest transport conglomerate, which is controlled by Jardine Matheson, of Hong Kong, were today heavily fined by a Johannesburg court for contravening exchange control regulations.

The men who include Rennie's former president and a leading socialist, Mr. Gordon Rennie, were fined amounts ranging from \$50,000 (\$5,000 to \$54,000) or five years imprisonment. The court was told that the executives had received directors' fees in foreign currencies from overseas subsidiaries of Rennie's group, and had failed to declare these earnings to the South African Treasury.

The exception of Mr. Rennie, who resigned as president of the group three months ago, all the men were still employed by Rennie's. Earlier this year, the company's chief executive, Mr. Charles Fiddian-Green, was also sentenced to a heavy fine for infringing the exchange control laws.

## Consumer goods for Lusaka

By Michael Holman

LUSAKA, Nov. 29. SOUTH AFRICAN consumer goods valued at more than \$3m will arrive in Zambia over the next few weeks, according to businessmen in Lusaka. The goods will be carried on the reopened southern rail route through Rhodesia.

Zambia's state-owned National Import and Export Corporation will be the main importer. It includes dried milk and other dairy products, fish and soap, on 60-day credit terms. A further \$750,000 will be spent on edible oils.

The first consignment is expected to be in the shops in a few days, thus easing the shortages of many basic commodities before presidential and general elections on December 12.

Zambia imported \$24.8m of South African goods last year. Trade with the republic reached a peak of \$49m in 1968, but dropped sharply when the Rhodesian border was closed in January 1973.

## Paris goes to the Ayatollah

By David White

IF Ayatollah Khomeini will not come to Paris, then Paris must go to Ayatollah Khomeini.

He is the Shah of Iran's main opponent in the Islamic Church and the pilgrimage to his temporary base at Neauphle-le-Château, 30 miles from the French capital, already has become a ritual.

Since early October, two rented villas straddling a quiet road have become a beehive of turbocharged Moslem priests, photographers, TV teams waiting for the white-bearded Ayatollah to cross the road to

hold prayers under an apple tree in the little orchard, and Iranian students, some come specially from campuses in the U.S., many on scholarships from the Shah's Government.

The students carry out memorial services for the Ayatollah and his aides. They take tea to the two. Special Branch men parked outside in a battered Simca.

The Ayatollah holds audiences in a small room with a bare light-bulb. There are no windows and no furniture, except carpets and a foam mat in the corner, where he squats.

He gave his full backing to strikes in the oil industry, but said that oil supplies to the West would be guaranteed when the Islamic state he proposed was set up. An Islamic government would recognise the legitimate rights of foreigners in the country, he said, but it would not allow them to "plunder our national resources."

The Ayatollah's headquarters in the Soviet Union, which he counted among countries considered harmful to Iranian interests. Communism, he said, had no significant base in Iran, and Communist countries would not be permitted to intervene in Iran's affairs.

They rejected any form of compromise with the Shah. His comments on the political, social and economic policies of an Islamic republic, however, remained vague. But he denied that he favoured reversing land reform. Land, he said, would never be returned to the former landowners, since they had acquired it by means contrary to Islamic law and had never paid their religious dues.

He also made clear that religious minorities would be given guarantees of the right of worship, and representation as under the present constitution. The establishment of a republic according to Islamic law was confident would be supported by the Moslem world as a whole. He had, however, no direct contact with other Moslem states, and rejected a report of links with the Libyan leader Col. Muammar Gaddafi.

## 'Be prepared to die'

By Our Own Correspondent

ON THE eve of Moharram, Iran's month of religious commemorations, Ayatollah Ruhollah Khomeini says that his followers must be ready to die in his fight against the regime.

Calling for Iran's Shi'ite Moslems, who make up more than 90 per cent of the population, to defy government bans on meetings, he said that Moslems must be prepared to sacrifice their lives and belongings to defeat "the enemy of the people."

If prevented from meeting in mosques, he said, they should meet "in the streets, in public places, wherever they can" in order to pursue the campaign against the monarchy.

In his comments, made in an interview with the Financial Times at his exile base near Paris, the 78-year-old spiritual leader appeared to come closer than he had before to accepting the principle of violence.

He is under some constraint in this respect. President Giscard d'Estaing said last week that Ayatollah Khomeini had twice been warned since arriving here early in October about preaching organised violence.

The Ayatollah said he had stopped short of urging Iranians to resist the army, but he had told soldiers and officers to disobey orders, and senior commanders to disobey the Shah.

He said his stay in France was only temporary, but he had opened the possibility of his return to mourn the death of Mohammed's grandson Hussein. Moharram is also the anniversary of the 1963 uprising, which led to Ayatollah's exile, first in Turkey, then in Iraq, and now in France.



The Ayatollah Khomeini

approaches to the Syrian authorities in order to move to Damascus.

He repeated his call for civil disobedience during the month of Moharram, when Shi'ite Muslims commemorate the death of Mohammed's grandson Hussein. Moharram is also the anniversary of the 1963 uprising, which led to Ayatollah's exile, first in Turkey, then in Iraq, and now in France.

## World Bank aid for Pakistan

By Christopher Sherwell

ISLAMABAD, Nov. 29.

THE WORLD BANK has expanded its support for the exploitation of oil resources in developing countries by extending its involvement to Pakistan. The Bank is already providing loans for oil and gas development in India, Thailand, Turkey and Zaire, and others are due to be considered in the near future.

The latest example of the policy, which aims to promote foreign private investment in the petroleum sector of developing countries, is the recent agreement between Pakistan's Oil and Gas Development Corporation (OGDC) and the Gulf Oil Corporation of America. The World Bank says it will consider providing finance and helping to arrange other financing for any oil and gas production that may result from exploration carried out under the agreement.

Gulf is known to be pleased with the World Bank's involvement in effect as a "silent partner." Gulf will pay 98 per cent of the cost of the exploration programme, but any commercial discoveries will be developed on a 50-50 basis with OGDC.

The World Bank also has under consideration a \$30m soft loan to be made through its International Development Agency (IDA) for the development of the Tutul oil fields in Pakistan. If approved, the funds would be in addition to some \$2m from Canada and \$12m from Britain. Part of this money would be used to fund the initial exploration of the Tutul oil field reserves.

Although Pakistan is an oil producer it is far from self-sufficient. Oil imports cost the country over \$400m a year, equivalent to about one-third of its total export earnings. Imports stood at \$55m a year before the rise in oil prices in 1973 and are a major contributor to Pakistan's persistent trade deficit and thus to its balance of payments and loan repayment problems.

Unemployment is a sensitive issue among backbenchers because it is at record levels and will rise again when school leavers join the workforce. Mr. Street is tipped to retain the employment section in an upgraded form with industrial relations going to another Minister.

Among other mooted changes are the transfer of the Attorney-General, Senator Duncan, to locally produced crude oil, mainly from the Bass Strait off-shore. The Victorian coast, which has been connected to run down there sharply from 1980.

There is, however, plenty of L.P.G. available in the Bass Strait and in the large natural gas fields off the north-west continental shelf of Australia.

## Fraser reshuffle reports

By Our Own Correspondent

SYDNEY, Nov. 29.

THERE ARE strong suggestions in Canberra that the Australian Prime Minister, Mr. Malcolm Fraser is planning a reshuffle of Ministerial portfolios in his Cabinet. Reports to this effect have spread as Mr. Fraser has met Ministers over the past few days, for discussions on their portfolios and their views of the future.

Mr. Fraser is due to leave for a visit to Jamaica and the U.S. on December 13 and apparently wants to have seen all his Ministers by December 15. One of the biggest changes rumoured would be to split the present portfolio of Employment and Industrial Relations, held by Mr. Tony Street.

Unemployment is a sensitive issue among backbenchers because it is at record levels and will rise again when school leavers join the workforce. Mr. Street is tipped to retain the employment section in an upgraded form with industrial relations going to another Minister.

Among other mooted changes are the transfer of the Attorney-General, Senator Duncan, to locally produced crude oil, mainly from the Bass Strait off-shore. The Victorian coast, which has been connected to run down there sharply from 1980.

There is, however, plenty of L.P.G. available in the Bass Strait and in the large natural gas fields off the north-west continental shelf of Australia.

For further information on Skytrain scheduled service to New York ring 01-828 8191, and for Los Angeles 01-828 4300.

## Take Skytrain the daily executive jet to the States

If you have urgent business in New York or Los Angeles, Skytrain is the perfect way to get there quickly. You simply buy a ticket and hop on the plane the same day, with no advance booking or hanging about. And you travel in a comfortable wide-bodied DC10 jet. Best of all, the most convenient way to the States is also the cheapest. In business, time is money, and on Skytrain you save both. For up to the hour information on seals the day you want to fly, ring 01-828 7765.

For further information on Skytrain scheduled service to New York ring 01-828 8191, and for Los Angeles 01-828 4300.

LAKE AIRWAYS-GATWICK AIRPORT-SURREY

## OIL EXPLORATION IN EGYPT

## The prospects that follow peace

By Alan Mackie in Cairo

INCREASED OIL production should play a crucial role in Egypt's economic development over the next decade. Together with foreign aid, workers' remittances and the Suez canal, expansion of the oil sector will help revitalize the economy. Last year oil production was worth \$750m and by the end of 1978 production should be running at 550,000 barrels a day compared to 412,000 in 1977 and 315,000 in 1976. But Egypt's hopes of reaching the elusive oil production target of 1m barrels per day, originally scheduled for 1980, has now been put back to 1982. This is because the Israeli presence in Sinai has hampered exploration and it could now be nearer 1985 before the target is hit.

So the red line on the map of Sinai, linking el Arish near Gaza in the north to Ras Mohammed at the southern tip of the peninsula, which marks the first

phase of the Israeli withdrawal in the event of a peace settlement, is of particular interest to the Egyptian General Petroleum Corporation.

EGPC has meanwhile anticipated a settlement by concluding two prospecting agreements in occupied Sinai on the understanding that they become operational as soon as the lands are evacuated.

The first was in late October with the American company Conoco for an 895 square kilometre concession in the QA plain in southern Sinai. The second was a 700 square kilometre concession which was taken by British Petroleum adjacent to the Conoco concession, stretching round it, and down to Ras Sabit.

Conoco has undertaken to spend \$53m over 10 years and pay a signature bonus of \$5m. BP has agreed to spend \$18m over

eight years and pay a \$3m signature bonus. EGPC will also soon be auctioning 15 lots covering 18,000 square kilometres in the northern sector of occupied Sinai, adjacent to 12 similar lots which were auctioned in 1976, soon after the second disengagement treaty was made them available. EGPC is also considering preparing lots for auction in the hinterland behind the Belayin and Abu Rudeis oilfields.

The return of Sinai is extremely important for the development of Egypt's oil industry. Intensive prospecting is taking place in the Gulf of Suez, which is probably the most prospective area in the world. But there is a constant pull of interest towards the east coast which the Israeli presence is blocking. This is particularly frustrating for Amoco, which is prospecting along the median line off Ras Al Tur, where the Israelis last year announced a good oil strike.

Amoco drilling ships have on several occasions run foul of Israeli patrol boats for straying across the line. The most serious incident was in September, 1976, when a particularly blatant piece of gunboat diplomacy led to an official American rebuke. The most recent brush was in the spring this year.

Hitting a target of 1m b/d is one thing, maintaining it is another. To do so, it is estimated prospectors would have to come up with one 100,000-150,000 b/d producer every three or so years, to make good depletion in existing fields. Given the highly localised and prolific nature of oil bearing rock strata in the gulf, this is not improbable. Existing fields, which have yet to be exploited, bring Egypt within striking distance of the target.

The most interesting to date is a find by a consortium headed by Deminex and including Shell Mex and BP, offshore from the north eastern coast of Sinai. It had a

pay zone of 1,100 feet, which is easily as good as any previous find. Eventual production could be as much as 150,000 b/d.

Deminex has until next June to present a plan to put the field into production, as presently the results are still being evaluated. A major factor in the cost analysis is the absence of any onshore facilities in the vicinity of the find, so Deminex will have to decide whether the \$100-150m capital investment needed to provide them is worth it. The well is fairly close to shore.

Deminex's intentions are important because the more production facilities that come on stream, the easier it is to develop marginal deposits.

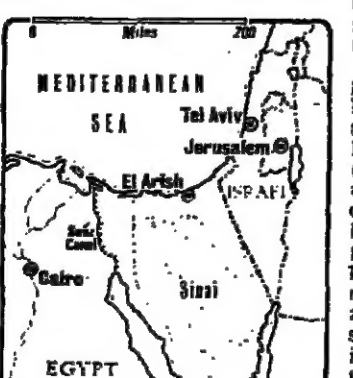
At present the only significant producer is the Gulf of Suez Petroleum Company (GUPCO), a joint venture between the Egyptian Petroleum Company (EPC) and Amoco. It produces about 75 per cent of Egypt's current 550,000 b/d production. Most of its production is from three fields: Morgan, July and Ramadan, all roughly in the middle of the Gulf of Suez, July and Ramadan are good for several more years, but Morgan is now being given water injections to maintain pressure.

Amoco is facing the same dilemma over facilities with a find offshore from Ras Gharib on the west coast. It can build new facilities at Ras Gharib or run a pipeline down to its existing facilities at Ras Shuqair. A further find on the east coast has yet to be developed.

As important decisions are taken on expanding production in the Gulf of Suez, the prospecting picture for the rest of Egypt is obscure. Finds from the Western Desert have so far been disappointing, but industry sources point out that "there is an awful lot of desert."

To encourage flagging interest in the rest of Egypt, EGPC is increasing the cost recovery ratio for future concessions from 40 to 60 per cent. The cost recovery excess, formerly due exclusively to EGPC, will now be shared equally with the prospecting company.

Commercial quantities of gas have been found in the Mediterranean north of Alexandria. The Abu Qir field is to come on stream before the end of the year, providing an important extra source of energy for industry, and Egyptian officials say another important find has been made nearby. In anticipation of plentiful cheap gas, the Egyptian authorities propose laying down a natural gas pipeline network in Maadi, Helwan, Heliopolis and Nasr city, in the outskirts of Cairo. British Gas Corporation recently won the consultancy contract for this multi-million dollar project.



MEDITERRANEAN SEA



WE, THE LIMBLESS, LOOK TO YOU FOR HELP.

We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association, BLESSMA (the British Limbless Ex-Service Men's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESSMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

Donations and Information: Major The Earl of Ancaster, KCVO, TD, Midland Bank Limited, 60 West Smithfield London EC1A 9DX.

British Limbless Ex-Service Men's Association "GIVE TO THOSE WHO GAVE—PLEASE"

The Building and Civil Engineering page is published in the Financial Times every Monday and carries news items relating to contracts and important developments in the Construction Industry.

For details of the advertising space available on the page each week, and costs, you are invited to telephone 01-248 8000 Ext. 631 or write to The Advertisement Director, Financial Times, 10 Cannon Street, London EC4A 3DF.



# DO YOU HATE YOUR COMPANY CAR?

The trouble with driving a company car is that you have to drive what you are given.

And what you are given may not be entirely to your liking.

Especially when everyone else in your position seems to be driving the identical German-made, Italian-styled, British-named executive saloon.

Not that they're anything but fine cars. But if you'd wanted to be part of a fleet, you'd have joined the Navy.

The problem is, how do you persuade the company that your feelings towards your car are not hopelessly irrational?

Obviously, you must provide a rational alternative. Which brings us neatly to the Audi 100.

## LOVE AT FIRST SIGHT.

Like most people, you've probably admired the Audi 100's sleek, purposeful shape.

But, as with everything about an Audi, there is reason behind the styling.

The body is built around our unique Timoshenko girders, with long crumple zones front and rear barring the way to a rigid steel passenger safety cell.

And its steering and braking system will keep the car on course if a front wheel skids or punctures.

The interior is quietly opulent with plush upholstery, thick carpeting and all the other trappings of a prestige car.

We've even tuned the seat springs so that they work in harmony with the suspension. And the 'acoustic sandwich' lining the floor absorbs as much noise as a six inch thick brick wall.

But we haven't provided you with all this luxury for its own sake.

The quieter the car, the less there is to distract you from your driving.

And the thick padding that surrounds you is there to protect as well as comfort you.

So if your company values your life as highly as it values your services, there's no safer car it can give you.

## A UNIQUE PROPOSITION.

In one respect at least, the Audi 100 is unlike any other car made.

Its engine has five cylinders.

The reason for this odd configuration is something that will gladden the heart of your company accountant.

It is as quiet and smooth as a six cylinder engine but simpler and less thirsty.

And by designing out components such as cam-rods and jackshafts, we eliminated vulnerable wearing parts and reduced the amount of servicing the car requires.

In fact, going by manufacturers' figures, the five cylinder Audi 100 needs less than half as many hours servicing as the Rover 2300.

Your company will find that facts like these make sound business sense.

## IT COSTS LESS THAN YOU THINK.

A five cylinder Audi 100 costs between £5,492 and £8,564 according to the model you choose.

Figures, you will notice, that compare very favourably with prices of other cars that, in our humble submission, do not offer you nearly as much.

But the final ace in your hand could be that the company doesn't even have to buy the car for you to drive one.

By leasing, you could drive away in a new Audi 100, by the simple expedient of your company paying £777, i.e. three months charges in advance.

Thereafter, you pay a monthly rental (that can include all maintenance costs).

And by setting the entire cost of leasing against tax, the real cost of the car comes down by half, which eliminates any worries your accountants may have about depreciation.

If this advertisement has only served to increase your discontent with your present company car, we apologise.

But if you can use it to good effect, you'll end up with a car that you'll love.

## YOU'D LOVE A NEW AUDI 100 Audi

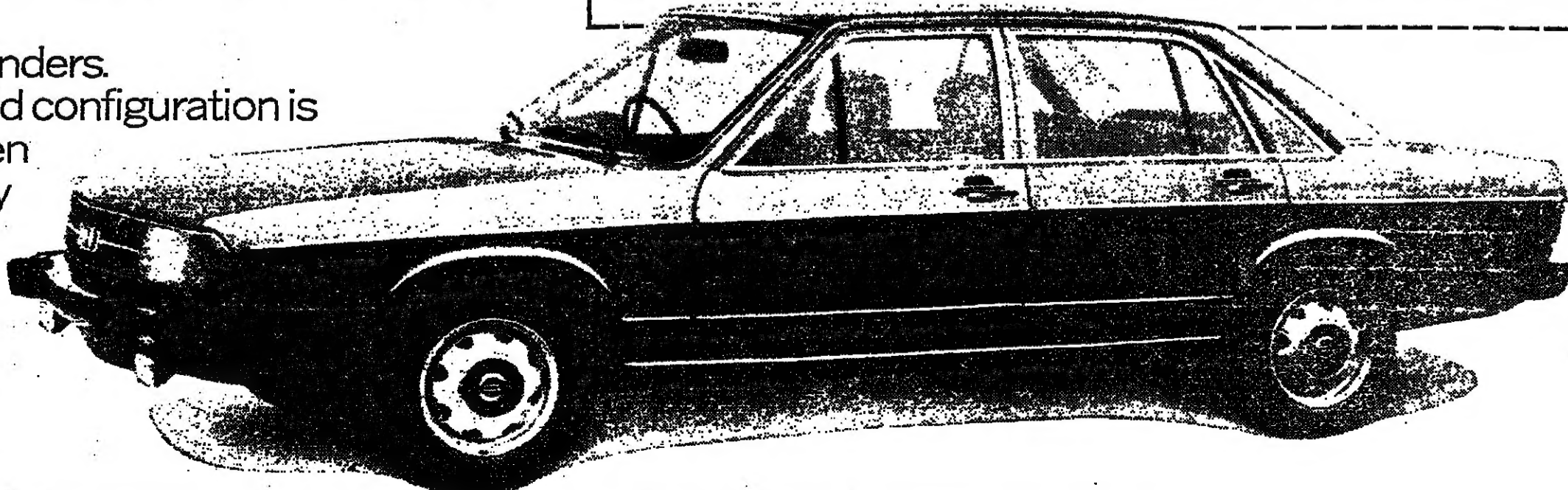
Please send me details on buying or leasing an Audi 100.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Cut out and send to Audi Marketing Department, Volkswagen (GB) Ltd, Volkswagen House, Yeomans Drive, Blakelands, Milton Keynes MK14 5AN.





## HOME NEWS

# BL likely to regain lead in UK market

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

FORD MOTORS' share of the UK car market is likely to fall below 6 per cent this month, in the wake of the damaging nine-week strike.

Estimates within the industry for sales in the first 28 days, suggest that BL Cars has become a clear market leader with a 30 per cent share. Ford gained only 5.8 per cent. Both Chrysler and Vauxhall have a lostoken advantage of the Ford position, pushing sales to beyond the 10 per cent mark.

Imports are slightly higher than last month, at just over 52 per cent. Total UK registrations, at little more than 90,000, are very similar to October last year, which suggests the absence of Ford models has taken some of the impetus out of a buoyant market.

Ford said last night that it could not hope to move back towards its normal 25 per cent

market share until the New Year.

Total stocks within the dealer network had fallen to only 1,500 just before the end of the strike last week. Production would take some time to build up to normal levels, and plants were due to shut for the Christmas break from December 20 to January 2.

About 15,000 imported Ford vehicles, bottled up at ports because of sympathetic action by dockers, are now being released. Ford cannot make up the shortfall by a rapid increase in imports. Though the Granada and Capri models are imported, the Escort and Cortina which are the high sale cars, are supplied from the UK.

It will take some time for the Ford dispute to work through, but December is traditionally a slow month for cars. Manufacturers will clearly have their eyes on the New Year market.

The performance by BL should help to raise morale within the State-owned company. Particularly encouraging is the performance of the Rover saloons, which are expected to gain a 2.5 per cent share of the market this month. This would put Rover among the top 10 best selling UK models, a notable achievement for a high-cost prestige car.

Datsun has appointed Malcolm West Plant Hire, a Hull-based subsidiary of Allied Plant Group, as its first UK distributor of forklift trucks. A demonstration model was displayed yesterday at the opening of the group's new depot at Immingham, Humberside.

A further 20 trucks are on their way from Japan, mostly of 4,000 lb, 5,000 lb and 6,000 lb capacity with diesel engines and automatic transmission, but including some smaller battery operated machines.



RELAXED AND smiling, former U.S. president Richard Nixon flew into London yesterday to address the Oxford Union. It is Mr. Nixon's first trip to Britain since the Watergate scandal drove him from office four years ago.

Mr. Nixon, who is to talk on foreign affairs today, was met at the airport by Mr. Kingman Brewster, U.S. ambassador, although officials insisted that his visit was private. The former President was also greeted at the airport by Col. Gordon Maxwell of the Foreign Office and Mr. Jonathan Aitken, Tory MP for Thanet East, representing the Speaker.

Mr. Nixon flew to London after facing a three-hour questioning by French television viewers during the phone-in. He faced many questions on Watergate, occasionally becoming emotional.

But he said that if there had been no Watergate scandal the Communists might not have taken over in South Vietnam, Congress would have passed his energy programme and doubts would not have been raised over the U.S. Middle East policy in 1973.

Mr. Nixon has spent much of the last four years writing his memoirs on his San Clemente estate. His only previous foreign trip since he left office was to China as a guest of Chairman Mao in 1976.

The Foreign Office said yesterday there were no plans for Mr. Nixon to meet anyone in the Government during his visit but it is known that he would like to renew his acquaintance with Mr. James Callaghan, the Prime Minister, whom he last met at the White House before Watergate. He has also said he would like to pay an informal visit to Mr. Harold Macmillan, the former Tory Prime Minister, before leaving on Friday.

## Company reports 'too complex'

By Eric Short

THE PRESENT form of presenting company reports is too complex for the individual shareholder to understand, Mr. Ron Artus, joint investment manager of the Prudential Assurance, said in London yesterday.

Addressing the conference of the City and financial group of the Institute of Public Relations, he suggested that companies should prepare their reports in two stages.

A simpler version should be produced for the private shareholder, with a full report, as at present, being available on request.

Mr. Artus, giving the investment manager's view of shareholder communications, drew attention to the influence of the investment manager in the development of companies providing information to shareholders.

Equal access

Because of the decline in importance of the individual company, he said, it is necessary to establish and improve their relationship with investment managers to the relative neglect of serving the individual. It was now time to give greater attention to the needs of the private shareholder.

A company's general meeting of a company was the one occasion of the year when all shareholders had equal access to the management. Such meetings should be made more interesting and attractive and then they would not be a nuisance.

There could be an opportunity to show the activities of a company, for instance through films specially made for the purpose.

## New regulations protect insurance buyers

By Eric Short

PEOPLE WHO sign certain life insurance contracts will in future be able to cancel the contract within 10 days and have their money refunded by the company without incurring any penalty. This is the main effect of the regulations laid before Parliament by Mr. Stanley Clements, Secretary of State for the Home Office, and published yesterday.

Under these regulations, which come into force on January 1, 1980, life companies and other long-term insurers will have to send customers, at the time of buying a policy, a notice which will remind them of their obligations and advising them of the 10-day "cooling off" period. During this period, the customer will have the right to cancel the contract.

These notices have been made possible by legislation, said the consumer organisations in a joint statement yesterday.

The bodies—the Consumers' Association, the National Consumer Council, and the National Federation of Consumer Groups—were commenting on the Government's Green Paper on monopolies and mergers policy, published earlier this year.

The groups welcome the Green Paper's conclusion that consideration should be given to dealing with "certain uncompetitive practices outside the scope of monopoly policy." These include restrictions on the sale of competitors' goods, trying to sell on price, and the sale of another, and forcing dealers to carry a full range of a particular manufacturer's products.

"Many uncompetitive practices of this type are clearly against public and consumer interest, and we believe they should be regulated by law, rather than be identified and outlawed in each case where they occur," says the statement.

They also make a case for enabling people, harmed by uncompetitive practices, to sue more easily for compensation. And they call for legislation to enable consumer organisations to take civil actions in courts on behalf of people who have suffered a loss.

New strip steel line at Shotton

A NEW line producing galvanised strip steel at the British Steel Corporation's Shotton Works, in Cheshire, has exceeded its capacity by 1,000 tonnes in the third week of its operation.

The line, one of three in a £44m complex now reaching completion, produced 500 tons of coils, exceeding its capacity of 400 tons.

Mr. John Powell, the works director, said the unit was "world class, with international manning levels."

Order against Kent students

AN INJUNCTION restraining Kent University's students' union from making "political" donations, including half the £20 fee imposed on a picketing bakery worker for assaulting police, was granted by the High Court yesterday.

The order, gained by the university's branch of the Federation of Conservative Students, bans the payments until next Tuesday. Meanwhile the union executive will test student opinion on the issue before deciding whether to contest the ban.

Duke backs safety probe

THE Duke of Edinburgh and his wife, the Duchess, have backed a campaign, launched yesterday, to save motorcyclists' lives.

A team of scientists is to investigate whether some crash helmets are less safe than others. Three in five motorcyclists killed in crashes die from head injuries—despite wearing helmets.

## Thames to make series on China

By Lisa Wood

THAMES TELEVISION, after three years of negotiations, is to make a six-part documentary series on China. It is expected to cost £1.5m, and researchers and film units will start work early next year.

The deal, agreed in Peking by Mr. Howard Thomas, chairman of Thames, and Tan Chen-Lin, vice-chairman of the standing committee of the National People's Congress, might lead also to Thames programmes being sold to China.

The Thames series will probably be broadcast in 1981, and include a programme on Chinese medical treatment.

Mr. Thomas showed the Chinese a portfolio of Thames productions, including documentaries, educational series and music programmes. The Chinese have asked to see more, including comedy shows and light entertainment.

The company hopes that their interest might pave the way for sales to China. Mr. Thomas said: "Thames is the first TV company to visit China and I hope that one of our programmes will be the first British production seen by the Chinese television audience."

The Chinese Embassy in London, asked about possible television audiences in the republic, said: "About 150 million people."

An invitation from Mr. Thomas for Chinese technicians to visit Britain to study Thames production and engineering departments was readily accepted by the Central Broadcasting Administration, which is keen to improve its television technology.

During the five-man Thames visit to Peking, Mr. Tan said that television in China was still very backward. China hoped to learn much from Britain.

## Consumer groups seek legislation

By David Churchill, Consumer Affairs Correspondent

ATTEMPTS BY manufacturers to discourage retailers from selling rival products should be prevented by legislation, say three consumer organisations in a joint statement yesterday.

The bodies—the Consumers' Association, the National Consumer Council, and the National Federation of Consumer Groups—were commenting on the Government's Green Paper on monopolies and mergers policy, published earlier this year.

The groups welcome the Green Paper's conclusion that consideration should be given to dealing with "certain uncompetitive practices outside the scope of monopoly policy." These include restrictions on the sale of competitors' goods, trying to sell on price, and the sale of another, and forcing dealers to carry a full range of a particular manufacturer's products.

"Many uncompetitive practices of this type are clearly against public and consumer interest, and we believe they should be regulated by law, rather than be identified and outlawed in each case where they occur," says the statement.

They also make a case for enabling people, harmed by uncompetitive practices, to sue more easily for compensation. And they call for legislation to enable consumer organisations to take civil actions in courts on behalf of people who have suffered a loss.

New strip steel line at Shotton

A NEW line producing galvanised strip steel at the British Steel Corporation's Shotton Works, in Cheshire, has exceeded its capacity by 1,000 tonnes in the third week of its operation.

The line, one of three in a £44m complex now reaching completion, produced 500 tons of coils, exceeding its capacity of 400 tons.

Mr. John Powell, the works director, said the unit was "world class, with international manning levels."

Order against Kent students

AN INJUNCTION restraining Kent University's students' union from making "political" donations, including half the £20 fee imposed on a picketing bakery worker for assaulting police, was granted by the High Court yesterday.

The order, gained by the university's branch of the Federation of Conservative Students, bans the payments until next Tuesday. Meanwhile the union executive will test student opinion on the issue before deciding whether to contest the ban.

Duke backs safety probe

THE Duke of Edinburgh and his wife, the Duchess, have backed a campaign, launched yesterday, to save motorcyclists' lives.

A team of scientists is to investigate whether some crash helmets are less safe than others. Three in five motorcyclists killed in crashes die from head injuries—despite wearing helmets.

## Lloyd's urges members to back new building

By John Brennan, Property Correspondent

MEMBERS OF Lloyd's of London trading floor, which is designed to be expanded to 100,000 sq ft up to 150,000 sq ft additional insurance market's Lime Street capacity, is needed.

The rest of the 500,000 sq ft building will be used for offices. And as Lloyd's recently moved the bulk of its administrative staff to new offices in Chatham, a substantial part of this new office space will be available to be let commercially.

The committee of Lloyd's, which involves demolition of the market's former trading floor on the east side of Lime Street and the building of a new 500,000 sq ft office and trading development would also be available to be let.

The committee has told members that it would take at least £10m to carry out a limited refurbishment of the 1925 building, and that even after the work the building would have only a limited life.

The committee also argues that a limited scheme would not be ideal as, "serious disruption of the market could not be avoided as a result of continuing being carried out in two buildings."

Instead of a limited, re-development the committee is proposing that members accept designs submitted by architects Piano and Rogers for a new known.

## Post Office plans telephone shops

By John Lloyd

IN AN effort to liberalise existing procedures, the Post Office is shortly to open "phone shops" to display its range.

It is also believed to be negotiating with Thorn Ericsson for the supply of two new telephone modules, possibly manufactured abroad.

In the longer term, the Post Office wants to move to a "jack plug" system in which customers would be provided with a socket into which telephones would be plugged. They would then be able to take their phones with them when moving house.

The moves mean that the Post Office will be competing directly with the growing "black market" trade in telephones, where phones with jack plugs are sold for illegal interconnection with the Post Office system.

The shop plan was approved recently by the Post Office Board. It is aimed at meeting demands for a wider choice of phones, and to head off increasing calls for the monopoly over the supply of equipment to be ended.

However, the Post Office said, Thorn Ericsson for the supply of last night that there was no question of new models, which would be made in the Ericsson factories in Sweden.

Although novelty telephones are popular, the corporation wants to establish 40 telephone shops in large cities in the next two years, and says that they are providing 60 over five years.

Shell gives small businesses pledge

By John Elliott, Industrial Editor

SHELL UK's commitment to help small companies was formally announced yesterday, when an executive said the company believed that "a flourishing small business community is good for the UK economy, and, therefore, good for us."

This marked the launching of a series of initiatives which are to be taken by major companies during the coming months to help small firms.

The companies include Shell, Marks and Spencer, BP, IBM, British Oxygen and Tesco as well as the Industrial and Commercial Finance Corporation and the London Chamber of Commerce.

The review said new small businesses accounted for the majority of the net increase in employment in the East Midlands between 1974 and 1977.

Shell is now completing various plans for helping small companies. It helped to launch a new business competition in Durham earlier this week and is already seconding staff to help small, underdeveloped areas.

Initiatives include providing former petrol stations and other spare land for industrial development and ensuring that Shell pays its bills to small companies on time.

The review says there is a need for a "best training ground for the next generation of business managers" and that companies benefit from an "import-export" relationship with the external economies, which are to be found in clusters of businesses, known as "industrial districts."

These districts provide opportunities for subcontracting and among other specialist suppliers, competitors and customers, says the review.

Lillie Langtry letters sold for £8,000

LETTERS FROM Lillie Langtry to Arthur Jones, her lover in Jersey, sold for £8,000, plus the 10 per cent buyer's premium, at Christie's yesterday. The 65 letters were recently discovered in the attic of a Jersey farmhouse by a descendant of Arthur Jones. The buyer was Mr. Alan Dunn, a London architect, bidding on behalf of a private collector.

The letters had been estimated to fetch only about £2,000 so obviously the publicity from the current television series about Lillie had added to the price. They cover the period 1878 to 1882 during part of which time Lillie was in Paris awaiting the birth of her daughter by Prince Louis of Battenberg. They end when she started her successful stage career in the U.S.

personal autograph album while 27 letters from the Belgian artist James Ensor realised £3,000. However, the top lot in the sale, autograph manuscript by Hugo von Hofmannsthal, which had been estimated at £20,000 and was bought by a collector, failed to find buyers.

## Cash threat over foreign students

By Michael Dixon, Education Correspondent

UNIVERSITIES are being threatened with a cut in their finances if they do not restrict the admission of overseas students in line with Government policy.

The universities, which account for 42 per cent of the £80,000-plus foreign students in State further education, have been resisting Government pressure to help reduce the total to £67,000 by 1980-81.

They have now been told by the University Grants Committee that unless cuts are made in overseas admissions—whose costs are about 50 per cent subsidised by UK taxpayers—there could be "a serious long-term effect on the total money available to universities."

Although some of the autonomous institutions have seemed willing to show restraint, the trend has been for more and more foreign students to come in. One reason may be the universities' keenness to fill all places, some of which, especially on the science side, would otherwise be left empty because of the failure of home demand to grow in line with Government predictions.

The financial threat, which clearly has the support of Mrs. Shirley Williams, Secretary of Education and Science, will be resisted by university staff as an invasion of their academic freedom.

It will also be loudly opposed by the National Union of Students, which maintains that any reduction in overseas admissions will mean a loss of educational opportunity to deprived youngsters in poor countries.

On the other hand, a check by the British Council in 1976-77 showed that of the total overseas students in State-subsidised further education, 14.4 per cent came from Malaysia, 11.1 per cent from Iran, 6.7 per cent from Nigeria, 5 per cent from Hong Kong, and 4.2 per cent from the U.S.

In addition, it is believed in official quarters that, even where foreign students do come from poor countries, they tend to be from those countries' richest families.

British Rail takes over Manx Line company

BRITISH RAIL has acquired control of James Fisher and Sons (Isle of Man), owners of the Manx Line. The Douglas-Heysham ferry service will now be operated as a joint venture.

The company is to change its name to Manx Line Holdings, which will be a subsidiary of British Rail. The Stock Exchange has notified about the change of control, the company said yesterday.

British Rail would not disclose the figure involved in the transaction, but said the board had acquired a 50 per cent interest. The joint venture would provide expertise to strengthen the resources of the Manx Line.

Uninterrupted production did not result and Mr. Hussey repeated the warning that production would be suspended in a letter sent to all 4,250 staff in July. From the moment that Mr. Hussey sent his initial letter, there began a period of intense speculation about whether the company would actually go ahead with the threatened suspension.

Some speculated that it would not, and even this week they were waiting for a last moment intervention from the Prime Minister or the TUC which might win a reprieve.

One man who says he has never been in any doubt that the suspension of publication was seriously meant and would take effect is Mr. Joe Wade, general secretary of the National Graphical Association, the lead-

ing craft union in the printing industry. Two months after Times Newspapers had sent its ultimatum to the unions, Mr. Wade was in the Isle of Man for the NGA conference.

Both inside and outside the conference, Mr. Wade, who feels most vulnerable in the face of technological changes like those Times Newspapers wants to introduce, made it clear that he would not surrender his control over the composing process to other staff.

New computer-based technology abolishes the need for NGA work as carried out in conventional composing rooms. Some newspapers have converted to new technology exclusive control of the "key stroke"—the input of editorial and advertising material to the computer-based composing system.

Times Newspapers says, however, that it needs to retain editorial input by journalists and advertising staff as well.

Although Times Newspapers has given a clear undertaking that the transfer to new technology will be achieved without compulsory redundancy, the NGA is determined that its control over inputting is a principle on which it will never surrender.

The union fears that, once conceded, the principle will soon spread elsewhere in the newspaper industry and its members' already vulnerable position will become hopeless.

Print union leaders repeatedly stress that they are not opposed to new technology as such—"We are not Luddites" is a frequent quotation—provided they are satisfied with the nature of the work.

But when Mr. Wade says that the NGA will "fight to the bitter end" on the key stroke issue he does so as a thinking man aware of the possible implications of his words.

In these circumstances the NGA decided earlier this month that it would not accept any negotiations with Times Newspapers under threat of suspended production. The union's leaders have made it clear that, even if a formula for resuming talks is found, they will not move from their position on new technology.

Stalemate is thus the only word to describe the aspect of the proposed Times Newspapers reforms which contain the greatest implications for the rest of the industry.

By comparison, the company that Fleet Street is a hopeless case and concentrate its new investment somewhere else.

It's most profitable asset is its share in two North Sea oil fields, Piper and Claymore. The oil interests will account for £31m of the £45m after-tax profits expected by the corporation in the year ending next month, and oil earnings are likely to hit a peak next year as Claymore reaches maximum production.

As a result, the group is now generating very large cash surpluses. In June this year liquid funds exceeded £100m, of which maybe a third was being held in reserve for unpredictable snags in the North Sea.

Next year the oil side could generate surplus cash totalling as much as £30m, and the rest of the business—notably the buoyant travel side—could produce another £10m or more.

## Strength of the parent company

By Richard Lambert

A KEY ELEMENT in the approach of Times Newspapers' management to the problems of the newspaper company is the enormous financial strength of its parent, International Thomson Organisation.

Financial responsibility for The Times was moved from the Thomson family to the Thomson Organisation this July. Shortly afterwards it moved again, to the International Thomson Organisation, a new company registered and incorporated in Canada into which the UK holding company and certain family interests were absorbed this autumn.

International Thomson wants to use these funds to secure a stable source of earnings in future years when earnings from oil holdings drop as the oil starts to run out. It has

promised to commit very substantial funds to investment in the UK, and has said that the future of The Times is assured "providing that the necessary co-operation, effort and goodwill is forthcoming from newspaper."

However, International Thomson is not obliged to invest its surplus cash in the UK. As a Canadian corporation, it can look at opportunities all over the world free from the constraints of UK exchange controls.

Its management holds two very strong cards in relation to the current problems of The Times.

With the corporation's substantial, and growing, liquid resources it can face up to the threat of a prolonged stoppage without having to worry about immediate financial pressures. Or, at some stage, it can decide



## Minister hints at help for mergers

FINANCIAL TIMES REPORTER

GOVERNMENT encouragement for certain types of company mergers and a broadening of the role now performed by the Price Commission, have been hinted at by Mr. Roy Hattersley, Secretary for Prices and Consumer Protection.

The glimpse of possible future Government policy came when Mr. Hattersley defended State intervention in the economy at the Marketing Society's annual conference, in London yesterday.

He said the time had arrived when the Government should look at each proposed company merger on its merits and in some cases it should actively seek to bring about mergers.

"It is right for Government to make the judgment whether the merger is right and proper. When it is right the Government must encourage, or even promote it," he said.

Those pressures could be created by the Price Commission acting as a surrogate for market forces, and pursuing a more vigorous policy of consumer protection. Given such a partnership between government and private enterprise, competition would flourish, Mr. Hattersley said.

An analysis of Tesco's success in substantially improving sales, profits and its market share in

the past year was given by the company's managing director, Mr. Ian MacLaurin in another speech to the conference.

Mr. MacLaurin said Tesco had decided to drop trading stamps from its stores as well as building new supermarkets within town centres following a study of the future for retailing and consumer spending in the UK.

He said the real end of the market was probably the most sensitive indicator of the state of the economy and the "revolution in affluence" in post-war Britain had transformed the pattern of retailing. As disposable income has risen, however, the consumer has not only become more discriminating, she has also switched priorities.

Mr. MacLaurin said it was Tesco's realisation that consumers were moving up-market in tastes that had prompted the company to move both its image and products up-market as well.

He said: "Unless we had recognised the implications of the continuing shift in consumer spending habits—that the move up-market was no rogue trend—and unless we had recognised that we were trading with an increasingly sophisticated and well-informed customer, we would have been trapped in a kind of retail dead-end."

## Fraud squad 'needs more help from accountants'

BY ANDREW TAYLOR

ACCOUNTANTS SHOULD be called in much more regularly to assist police investigations into complex and sophisticated company frauds, a former head of the City Fraud Squad said yesterday.

Mr. Tom Edwards, a former commander who retired from the police force at the beginning of this year, told auditors and accountants at a conference on corporate fraud that he would like to see a pool of top accountants available to assist fraud squad inquiries.

He said it would be in the best interests of accountants who were concerned to protect the image of their profession, to provide such a service.

The profession's expertise would be particularly valuable in unravelling some of the more complex examples of company fraud. Mr. Edwards said he hoped accountants might provide their services at competitive rates.

He did not think it practicable for accountants to be permanently employed by the police force as finger-print experts. Investigation of fraud should be left to the police as experts.

Auditors could also play a valuable role in detecting frauds. "The last line of defence is the auditor. Adherence to auditing principles is not enough; the auditor also needs to be a detective to overcome the clever fraudsman. There is a tendency for auditors to accept the treatment given to a particular aspect of a business in previous years, as being acceptable," he said.

Mr. Edwards added that he was concerned about the jury

## Safety tests for gas containers

BY JAMES McDONALD

EXPERIMENTS to test the soundness of liquid petroleum gas containers are among the first being undertaken at the Health and Safety Executive's recently-built test centre at Buxton. Its annual report said yesterday.

The report stressed that hazardous materials are being used increasingly in industry, and the consequences of even minor leaks could be far-reaching.

Other research described concerned substances that might be released into the atmosphere and from clouds heavier than air, and efforts to reduce the risk of operators becoming trapped in manufacturing

## British Aluminium to aid land speed bid

By John Griffiths

BRITISH ALUMINIUM, a member of the TI Group, is joining British Aerospace, British Airways and a number of other UK companies in the first major attempt to bring back to Britain the world land speed record it lost to the U.S. 17 years ago.

Its support, comprising both "substantial" financial aid and the supply of materials and skills, was announced at TI Reynolds' Birmingham factory yesterday at the unveiling of the completed, 25 ft long frame of the vehicle.

Mr. Richard Noble, a London business-man, will drive the car in the attempt to beat the 622.407 mph record late next year. The total value of the British Aluminium support was not disclosed.

The car, christened Thrust 2, is to be displayed at the performance car show in London, which starts on December 9. It will then have its engine and bodywork fitted at work-shops on the Isle of Wight early in the New Year. The 5m car is the second of a three-car programme and is designed to reach 650 mph.

The third, destined for completion in 1982, is planned to use Noble, a manager with GKN Mills Building Services, through the sound barrier to 850 mph.

## Microcomputers 'creating jobs'

BY MAX WILKINSON

FEARS THAT microcomputers will put office workers out of their jobs were dismissed by a Government expert yesterday.

Mr. Cecil Marks, director of Systems Training at the Civil Service College, said that information in the office had increased employment. He expected the trend to continue.

In an article in the *Journal of Management Services in Government* he said: "The major question is whether the widespread introduction of micros in offices will result in unemployment—particularly for instance, their use in word processing."

"I can only speak as an individual, but I certainly do not believe that they will have this effect."

"The use of office machines, starting with the typewriter and telephone in the late 19th century, going on to calculating and copying machines in the early 20th century, and electronic computers since the 1950s, has led, so far as I am aware, to increased employment, simply because so much more office work has become necessary."

Mr. Marks did not believe that if levers still had to be written out by hand, even more jobs would be available.

"I think that the more numerous consequences would have been that the work simply could not, and would not, have been for an interim report on the roles and relationships of the organisations concerned to be presented next April."

## Library council seeks inquiry

THE LIBRARY Advisory Council for England has appealed to Mrs. Shirley Williams, Education Secretary, for an urgent inquiry into the relationship between the Department of Education and Science and national, public, university and other libraries.

## Drop nuclear programme, research group urges

BY JOHN LLOYD

A CALL for the abandoning of the Atomic Energy Authority, and the abandonment of the current nuclear programme, was made yesterday by Counter Information Services, a research organisation.

The call comes in a report, *The Nuclear Disaster*, which claims: "The cost of electricity produced by nuclear power stations is higher than that produced by coal-fired or oil-fired stations—and not less, as the General Electricity Generating Board claims."

The second nuclear programme, based on the advanced gas-cooled reactor (AGR) has cost £2bn, and that there are no official figures to account for this vast mis-spending.

The nuclear establishment is concerned only with the image of safety—not the substance. The original magnox reactors are inadequate and would have to be re-designed to meet present safety standards. The re-processing industry is equally dangerous.

The greater use of nuclear power will not increase jobs, as claimed, but will decrease them.

The real reason for the commitment of the CEB to nuclear power—whatever its true economics—is "the spectre of gas-cooled reactor (AGR) has cost £2bn, and that there are no stations' fuel supply."

Mr. Robin Hayes, a Manchester businessman and the association's secretary, said: "The damage caused in all these cases is to the heart. The children are aged between four and ten."

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.

The opening marks the continuing success of the bureau, which started in 1951 as a service to local authorities

treasurers, providing advice on loans and a low cost brokerage service.

Last year the bureau handled transactions worth £7m and advised tens of thousands of private investors on local authority investments.

The bureau includes the majority of local authorities and several of the big public corporations among its members.

Mr. John Bamford, chairman of the Loans Bureau Panel, said that the new equipment would help the bureau provide a continuing service to local authorities, public corporations and members of the public.

Mr. Denzil Davies, Treasury Minister, formally opened the loans room, which is equipped with the latest Post Office telephone equipment.







# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHMIDT

## TRANSPORT

### Efficient liquid gas engine

USE OF liquefied petroleum gas (LPG) as a fuel for engines has been partly limited by the relative inefficiency of existing gas carburettors which result in low power output and higher fuel consumption compared to petrol. A system developed by New Energy International which used facilities made available by Lonsdale College, Derby, has shown substantial improvements.

LPG is injected in its liquid state at a tank storage pressure of approximately 100 psi into the air intake of the engine through a solenoid-operated needle valve. The LPG evaporates almost immediately, cooling the charge air, the degree of cooling being proportional to gas/air ratio. Thermistors are placed upstream and downstream of the point of injection, the signals being fed

to an electronic control box controlling the pressure through the needle valve. By injecting sufficient LPG to maintain a constant temperature drop, a constant gas/air ratio is maintained. Firing voltage required to initiate a spark at the spark plugs varies considerably with gas/air ratio and is at a minimum at the optimum ratio. By electronically integrating the relationship of firing voltage to gas/air ratio and using a temperature difference between the thermistors to give minimum firing voltage for any particular conditions, the engine operates at all times at the most efficient gas/air ratio. The mixture normally enters the engine at or below freezing point, effectively supercharging it to give substantial power gains. An electronic anticipation device on the throttle reduces lag time as the thermistors during sudden acceleration.

Tests using propane have shown power increases of 12 per cent and a reduction in fuel consumption on a volume basis of 4 per cent with substantially reduced pollution levels, compared to petrol operation. The simplicity of the system enables lower unit production costs than present as well as simplifying installation.

Further details from New Energy International, 2, Fife Street, Lincoln's Inn Fields, London WC2A 3JP. 01-405 5618.

## DATA PROCESSING

### Quick systems delivery

APART FROM its underlying policy of marketing Computer Marketing likes to maintain its planned image of being a supplier of tailor-made, off-the-shelf computers, specifically to users' requirements.

George MacFarlane, the 30-year-old managing director of the company, went into the computer industry straight from school and, less than four years ago, formed this go-between agency for marketing products which were mainly the brainchildren of smaller British companies that were not at all with marketing methods or techniques.

The company has now become one of the leading franchised distributors of Digital Equipment systems and has just signed a £1.7m contract with DEC for its terminals and components, including nearly £5m worth of LSI-11 microcomputer boards and components.

It has just launched its Comma V03, said to be a powerful yet cost-effective computer system, based on the LSI range of components from Digital Equipment.

This is a 16-bit machine available with either 4K, 8K, 16K, or 32K words of self refreshing RAM memory. A wide range of serial interface boards is also available for communication with

either local terminals or other computers via direct lines of CDP modems.

Tape floppy discs provide 5000K bytes of back-up storage, and the current system uses single density discs—configurations based on double density floppy discs, cartridge discs and cartridge tapes will be available early in 1979.

Because most of its supplies are required by research and development establishments which may cash have around as little as £10,000 to spend, it is important that delivery is rapid. These users cannot afford to wait the many months taken by large companies to produce systems for them (such delays often jeopardising budget deadlines), and Mr. MacFarlane says his company can get together the necessary package within a matter of a week or so.

Stocks include Newbury terminals, Tally printers and ICS courses and microprocessor training aids—major customers in the field of microprocessor development are GEC, Marconi, Plessey and the Post Office. All products in the range are complementary to each other. Computer Marketing is at Edfield House, 842 London Road, West Thurrock, Essex (Purfleet 04028) and has branches in London, E.C.3, Nottingham and Bristol.

## Micro lends a hand

STAND-ALONE microcomputer Instructor 50, based on the Signetics 2650 microprocessor, is available from Mullard for students, engineers or anyone who wants to learn how to use a microcomputer the easy way.

To use it is plugged into the mains supply. It will then say "hello". And this is only the first of a series of instructions learned through a 12-key function control keyboard and a 16-key hexadecimal key-board are built in to enter data and perform various system.

An audio cassette interface allows the user to load or store programs into and out of the unit's memory.

The Instructor 50 also includes an S100-compatible expansion bus connector so that other standard products, such as additional memory or prototyping area, can be used with the system. This connector carries all the 2650's I/O signals in addition to control signals required by the S100 bus.

Mullard on 01-580 8833.

## PRINTING

### UK plate at Imprinta

USING A newly-developed photopolymer, a newspaper plate will be demonstrated shortly, will provide better and more consistent results, says W. E. Grace, Letterflex Systems, Northside House, North Circular Road, NW10 01-863 0811.

The company's photopolymer platemaking machine has recycling of used polymer which, mixed with fresh polymer, eliminates waste disposal problems. This and the new plate

will be shown at Imprinta in Düsseldorf, February 14-20.

Stability, ease of operation and improved environmental conditions for the operators are offered. An added bonus, says the maker, is the fact that fine highlight dots are held, thus making a first-class base for colour work. Improved printing results are promised, too, because the new polymer is said to have better ink laydown characteristics.

## HANDLING

### Bricks cost less to move

HOPE TO achieve greater fuel economy by using trucks with centre-mounted cranes, its lower all-up weight.

The 7 tonne-metre crane has entailed no sacrifice in load-handling ability, says the company. It has an hydraulic grab, incorporates an hydraulic rotator and has a double-section drop-side body all made by Lyka Cranes, 382 Blackpool Road, Preston, Lancashire (0772 727927).

Because of its lighter weight (10243 kg) the trial vehicle, a costs between £500-£600 less per Lyka crane eight-wheeler Foden.



## INSTRUMENTS

### UK drive in Berlin

SCOPEX Instruments, Letchworth-based oscilloscope manufacturer, has set up a new company in west Berlin, called SCOPEX GmbH, to add its expansion into the West German electronic instrument market.

Scopex starts trading in early December and will recruit and establish a distribution network covering the whole of West Germany, the largest electronics market in Europe. Initially, the new company will be marketing the Scopex models 458 single beam, the 4D10A and 4D25 dual trace oscilloscopes as well as the rack-mounted versions, the RM 4D10A and RM 4D25 which are designed for the OEM market.

Scopex, Pimrose Avenue, Letchworth, Herts SG6 1JJ, Letchworth 72771.

## GRAPHICS

### Calcomp to develop quickly

NOW THAT Calcomp has started to move what is possibly its most important product yet, the interactive graphics equipment (IGS 500) shown here, and has reported a profit, albeit a small one for 1977-78 after the previous year's loss, company strategy is becoming clearer.

Its management experts world sales of graphics equipment to amount to some £200m over the next three years, £15m of which will be in the UK. Company turnover in the past operating year was \$120m against \$118m and 37 per cent of it was in graphics products.

But Calcomp recently sold out its hard disc inventory products side to Xerox, retaining its floppy disc capabilities, and since the 1978 figures contain 59 per cent for sale and lease of memory products, this is bound to have an effect.

In the long term, however, the \$25m Calcomp is gaining from this sale will consolidate its already extremely strong position in the world graphics market and at the same time, it will continue to market and use the Trident, Hunter and Markman discs. Design, production and marketing facilities for these were the subject of the sale.

The 500 uses the French-designed Solar minicomputer from SEMS, part of Thomson-CSF, which has ceded manufacturing rights for this excellent small machine to Calcomp.

The 500 also goes into the recently announced drum plotter and the 1650 computer output on microfilm unit.

The company has obviously been planning to meet the anticipated market growth of around 150 per cent which will place a very considerable strain on its exploration company base and production capabilities and place one of its subsidiaries, SPL, for the designers on their efforts in development of applications software packages for the 500.

Calcomp, 500 House, The Rink, Bracknell, Berkshire RG12 1ER, Bracknell 56211.



Up and working at Calcomp's Bracknell centre and forerunner to a similar array for the new SPL development centre at Abingdon is this IGS 500 interactive graphics system.

Calcomp has made an agreement with the UK software very considerable strain on its exploration company base and production capabilities and place one of its subsidiaries, SPL, for the designers on their efforts in development of applications software packages for the 500.

Calcomp, 500 House, The Rink, Bracknell, Berkshire RG12 1ER, Bracknell 56211.

## ELECTRONICS

### Pinpoints board faults

DEVELOPED by Zebnetel in the U.S. and offered in this country by BFI Electronics, the Troubleshooter 800 is claimed by the maker to be the most advanced, powerful and flexible in-circuit test system for the contents of electronic printed circuit boards yet devised.

By using time varying stimuli of various kinds and a technique called Isodrive which electrically isolates the device under test, the machine can examine, for example, an integrated circuit independently of its function on the board.

In this way medium and large scale microcircuit devices, including microprocessors, memories, synchronous and asynchronous receiver/transmitters can be tested, in addition to small-scale ICs and all types of analogue circuits.

The 500 employs a signature analysis technique to generate stimuli and "learn" the unique output signature which sets acceptance criteria for the individual IC.

Program development is claimed to be simpler than usual because the components rather than the function of the board are tested.

With the board itself mounted on the vacuum-actuated "bed of nails" fixture, the keyboard and VDU are employed together with a circuit probe to enter all the characteristics of the items on the board and their locations. A floppy disc test library is then called upon by the program generation software to develop automatically the test steps for specific analogue and digital components.

The test operator does little more than load each board on the fixture and press the start button. If the board fails, precise rework instructions are printed out in clear and simple English. All failures, including users' hands, are non-toxic, multiple ones, are identified. The print-out becomes the repair log, making it simple to repair the board and send it back for retest. Typical test time is between five and 60 seconds, depending on board complexity. The disc allows collection of test and failure data.

BFI Electronics is at 516, Watlington Road, West Molesey, Surrey KT8 0QF (01-441 4068).

Available also is a white grease based on bentone for use in food processing plants, and an aerosol-applied product formulated for thin film lubrication of mating surfaces. The faster product, which can also resist high loads, will prevent galling, pick-up and wear during start-up and running in of machines, and will eliminate seizure of close-fitting metal parts.

Rocol is at Swillington, Leeds, LS28 5RS (0532 862281).

STARTERS FOR fluorescent lamps used in areas without a service line—such as in caravans, households, yachts, fishing vessels, motor vehicles, or dwellings where the grid system does not apply, have been developed by Carin Driebergen BV of Holland.

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

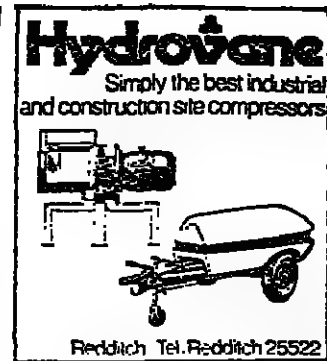
They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.

More from H. V. Skan, 428 Stratford Road, Shirley, Solihull, West Midlands B39 4AE (021 744 6791).

They are for fluorescent lamps from 8 watts up to 65 watts on 12v or 24v low tension/direct current, and also on 110v and 220v main supply/alternating current.



## MATERIALS

### Cleaner lubricant

ROCOL is offering a number of white lubricant greases which are clean to handle, leaving no stains on either machinery or users' hands, and are non-toxic. The company says that the new formulations give high load lubrication performance comparable to that available up to now from dark-coloured products.

One of the products, a bearing grease, is based on lithium soap has high load qualities, an operating temperature of minus 30 to plus 130 deg C and repels water. Although intended mainly for plain and ball/roller bearings under heavy loads it can also be used generally where cleanliness and lack of odour are desirable.

Available also is a white grease based on bentone for use in food processing plants, and an aerosol-applied product formulated for thin film lubrication of mating surfaces. The faster product, which can also resist high loads, will prevent galling, pick-up and wear during start-up and running in of machines, and will eliminate seizure of close-fitting metal parts. Rocol is at Swillington, Leeds, LS28 5RS (0532 862281).

## No hawkers. No trespassers. No slick operators.

Not so many years ago the North Sea was the uninvaded home of sea creatures and birds. Then man came and fought over its rugged surface, first in small boats, then in great steel ships. He began to carry oil on its surface. Sometimes he spilled it. More recently he began to drill beneath the seabed for oil and to set up huge factories on stilts to produce it — and sometimes he spills it. Well might lovers of birds and the sea creatures fear that man in his quest for oil may behave as a hawker, a trespasser and a slick operator.

The plain fact of the matter is that whenever and wherever oil must be produced there is always a risk of spillage. It is the duty of those who produce it and ship it to take every possible precaution to ensure that accidents happen as seldom as humanly possible. In the United States, where more than 20,000 wells have been drilled offshore, there have been only four serious spills in more than a quarter of a century, all of them cleaned up with



# Class distinctions

BY MICHAEL DIXON

A CLEVER entry posted to challenge anyone coming across no men's land with "friend or foe", would soon work out his best bet for staying alive. It is to shout the challenge, then regardless of the answer, shout to kill.

A comparable problem faces business decision-makers who are effectively in defensive positions. By this I mean that their career prospects will gain from a right decision far less than they will lose from a mistake.

Prominent among these entry kinds of manager are those responsible for recruitment. Unlike their military counterpart, they cannot guarantee their safety by rejecting everybody, of course. But they can and do buttress their defence by setting up external criteria which applicants must fulfil before they can have a chance of being appointed.

These criteria may well have little relevance to the job in question, and so in no way improve the odds on making a correct decision. That, however, is not the purpose of external conditions. Their purpose is to provide the recruiter with a plausible excuse if the appointment should happen to be wrong. Which perhaps explains why the per-sonnel trade is relying more and more on educational certificates as a prime determinant of who shall

and who shall not be given the chance of a job. Unfortunately, although this use of irrelevant criteria raises the recruiters' prospects of surviving their personal battles it does not help their employing organisations to win their wars. And from the viewpoint of the people so inappropriately turned away, from the starting gate, the defensive device is iniquitous. Which in turn explains why both of this week's Jobs Columns have set out to demonstrate that, in most instances, educational stipulations such as "at least five Ordinary-level pass grades," or "an honours degree" simply cannot be relevant to jobs.

## Generosity

On Tuesday we saw that according to the General Certificate of Education examiners' own criteria for grading academic ability, O-level pass grades do not necessarily represent anything constant either from year to year, or between different subjects. And since "counters" further studies are mainly founded on their O-levels, it seems likely that the difference of difficulty between subjects persist through the further stages, even to degree level. But apart from that, there are evidently wide variations in generosity among the policies which different universities as a whole adopt when

awarding honours-degree classes in their bachelor-level graduates. The adjacent table, compiled from still unpublished figures, shows how the various honours classes were distributed by the 45 UK university institutions in 1976. The percentages are cumulative from left to right, and the institutions are ranked according to the share of their bachelor-level output awarded a lower-second class or better.

The parsimony of the first eight arises from their use of the Scottish system in which a large share of students take only a three-year ordinary degree instead of completing a fourth for honours.

Even so, the figures leave little doubt that despite the appointment of "external examiners," awards of firsts or other classes cannot rightly be viewed as national standards.

Why, for instance, if Keele is the easiest university to get into, does it grant honours even more generously than does Cambridge, the hardest to get into? And why do only 11.4 per cent get firsts at Oxford when 18.9 per cent do so at Cambridge, especially since 10 years previously the corresponding figures were merely 8.2 per cent at Oxford and 8.4 per cent at Cambridge.

Could it be that the devaluing effect of inflation has not been confined to sterling?

The Honours Degree Stakes

	Number of graduates	First class	Upper second class or better	Undivided second or better	Lower second class or better	(Lower second or better 1975)	Honours degree of 2:1 or better
Glasgow	1,849	3.4	15.7	21.0	34.1	(34.1)	37.6
Strathclyde	1,339	4.8	20.3	29.3	39.7	(41.5)	46.3
Strirling	468	3.2	18.8	18.6	41.9	(37.1)	44.9
Edinburgh	2,997	5.7	17.2	32.4	42.6	(44.8)	44.8
Aberdeen	1,133	4.2	22.2	22.2	42.7	(41.3)	46.5
Dundee	498	4.2	22.3	22.3	44.2	(42.8)	48.2
Heriot-Watt	572	5.1	15.0	35.0	53.0	(54.4)	64.2
Queen's Belfast	1,095	3.7	25.1	25.5	53.2	(51.2)	56.2
Salford	846	5.8	28.3	28.4	63.6	(62.6)	61.8
London	6,859	8.0	33.5	33.5	64.0	(63.4)	77.2
St. Andrews	684	10.2	29.1	46.1	64.0	(63.4)	68.7
Liverpool	1,654	5.1	32.3	32.3	68.0	(63.0)	78.3
Newcastle	1,402	4.1	25.3	25.9	69.0	(66.7)	78.2
Manchester	2,350	4.3	33.4	33.4	69.8	(69.5)	79.6
University of Manchester							
Institute of Science and Technology	672	10.4	34.5	36.5	70.7	(56.3)	82.4
Brunel	413	7.5	35.1	35.1	70.2	(68.8)	98.1
Asson in Birmingham	820	5.5	31.4	31.4	72.2	(70.5)	85.4
Birmingham	1,594	9.5	34.8	34.8	73.5	(75.1)	81.5
Leeds	1,739	11.6	37.5	37.5	73.7	(63.9)	87.2
Surrey	537	7.6	38.2	38.2	73.9	(75.1)	91.1
Bradford	760	5.9	37.6	37.6	74.3	(73.7)	85.3
City of London	450	8.2	32.0	32.0	74.4	(68.3)	91.8
Bristol	1,487	4.4	39.2	39.2	74.5	(74.1)	83.9
Durham	1,024	4.4	37.0	37.0	74.7	(74.5)	85.2
Oxford	2,742	11.4	37.4	37.4	76.1	(81.3)	96.0
Sheffield	1,579	5.9	36.4	36.4	76.4	(78.6)	86.6
Loughborough	749	7.9	32.1	32.1	77.2	(71.4)	91.4
Hull	985	2.7	31.5	31.5	78.6	(80.2)	91.4
University of Wales	3,693	4.3	33.8	33.8	78.8	(78.8)	91.4
Sussex	884	7.4	44.1	44.1	80.8	(83.1)	94.7
Nottingham	1,443	6.2	41.8	41.8	82.1	(79.8)	89.5
Kent	674	4.0	32.2	32.2	82.6	(79.5)	95.7
Bath	679	7.5	39.4	39.4	83.4	(79.9)	92.3
Southampton	1,105	5.4	37.4	37.4	84.5	(85.5)	97.6
Leicester	838	4.4	38.9	38.9	84.6	(85.5)	95.6
Exeter	910	5.1	38.8	38.8	84.7	(85.0)	94.4
Lancaster	744	3.9	38.7	38.7	84.9	(81.7)	97.0
University of Ulster	346	2.9	35.3	35.3	85.0	(84.0)	94.2
Warwick	778	4.8	37.1	37.1	85.0	(79.7)	95.8
East Anglia	887	3.9	36.8	36.8	85.6	(86.5)	97.4
Reading	1,077	3.8	38.7	38.7	85.8	(84.0)	96.8
Essex	516	4.1	41.9	41.9	85.9	(79.7)	97.7
Keele	426	3.1	37.3	37.3	86.9	(86.7)	98.6
York	684	5.1	45.2	45.2	88.0	(87.4)	98.0
Cambridge	2,877	18.9	57.0	64.5	92.7	(92.3)	98.0
Total	57,049	6.7	32.7	37.3	70.7	(69.8)	81.1
Men	36,877	7.8	32.1	37.7	68.6	(68.0)	80.8
Women	20,172	4.7	33.7	36.7	74.4	(73.1)	81.7

## accountancy personnel

### LEASING MANAGEMENT

EC2 To £9,000

Small transportation leasing co. seeks a young ACA wishing to join growth industry, involvement in marketing, long-term strategy and daily financial controls.

### INTERNATIONAL INVESTMENT

U.S. Bank £8,000 +

Long term career expansion opportunity for Economics graduate/accountant (24-30); in-depth analysis and appraisal of U.K. and European equity investments, involvement in policy formulation.

### CHIEF ACCOUNTANT

City To £8,000 + Benefits

Rapidly developing unit trusts subsidiary of well known accounting house offers control of all accounting and financial operations to young qualified accountant reporting to Board.

### ACA FOR BANKING

c. £7,500 + Benefits

Major U.S. bank will offer European travel (50%) and exposure to sophisticated reporting techniques to young single C.A. wishing to expand his/her audit/investigative potential.

### CHARTERED ACCOUNTANT

City To £8,000

International investment holding company urgently seeks ambitious corporate accountant (c. 30) to prepare banking and group accounting information at Board level.

Non-contributory pension 5 weeks holiday bonus scheme.

Please telephone or write immediately to: Accountancy Personnel Services, Appointments, 41-42 London Wall, EC2M 5TB. Tel: 01-588 5105

## Merrill Lynch International Bank

Due to rapid expansion of our international financing activities, we are seeking to appoint one or more ASSOCIATE DIRECTOR or MANAGER level Business Development officers.

Successful candidates will be part of a team responsible for major international bank financings in various world capital markets and for marketing a full range of international financial services.

This is an opportunity to join a rapidly growing International Banking Group, with total group capital exceeding

U.S.\$700 million, to solicit, negotiate, structure and document major Eurocurrency financings. Although based in London, there will be considerable involvement with overseas clients requiring travel abroad. Applicants will ideally be in their early 30s and will have had at least five years' banking experience.

An attractive salary will be commensurate with experience and will be supplemented by a substantial range of fringe benefits.

Applications in confidence to: James L. Hildebrand, Executive Director, Merrill Lynch International Bank Limited, Merrill Lynch House, 3 Newgate Street, London EC1A 7DA.

Merrill Lynch International Bank Limited

## Group Managing Director

to £18,000

A group of engineering companies based in and around Cardiff wishes to appoint a Managing Director. His/her prime task will be to provide effective leadership for the unit MD's with the aim of rapidly improving profitability in the individual subsidiaries. Thereafter from a sounder base he/she will plan a development strategy for the business as a whole. To this end it will be necessary to introduce tighter financial and marketing disciplines. Candidates, preferably in their late forties or early fifties, should have general management experience gained in an engineering environment. Their early background should be financial or marketing

and they should have experience of managing a group of subsidiary companies or diversified divisions. Salary is negotiable between £15,000 and £18,000 plus car and other benefits.

PA Personnel Services Ref: GM34 6663 FT Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-215 0660 Telex: 27874



A member of PA International



## STATES OF JERSEY DEPARTMENT OF POSTAL ADMINISTRATION

Applications are invited for the following Senior Management posts, being part of a team of three reporting to the Director of Postal Administration.

### Controller of Sales and Marketing

Responsibilities include advising the Director of the Jersey Department of Postal Administration and the States of Jersey Postal Committee to facilitate decisions on sales and marketing policy and objectives; observing and interpreting sales trends relating to the Post Office, Mails and Philatelic businesses and initiating recommendations to maintain and improve profitability and reputation; controlling the operational aspects of computerised Philatelic Bureau services to provide for maximum efficiency; conducting research, marketing and publicity relating to all stamp issues, including the commissioning of stamp designers and participating in stamp exhibitions at home and overseas; controlling sales through the Department's own Philatelic Bureau and overseas Agents; and contracts and supplies relating to stamps and postal stationery. Current annual income of the Department exceeds £3 million.

Candidates should be experienced in a major sales and/or marketing field. Other advantages would be the possession of a recognised professional qualification, experience in computerised operations and in providing precise and pertinent management information and some knowledge of the postal business. The successful applicant, who is likely to be in the 30-45 age range, must have the ability to lead and motivate staff.

### Controller of Finance and Accounts

Responsibilities include advising the Director of the Jersey Department of Postal Administration and the States of Jersey Postal Committee to facilitate decisions on financial policy and objectives; organisation and control of the Department's financial affairs; negotiating with British and Overseas Postal Administrations and Government Departments; evaluating postal tariffs and costs to ensure continuing profitability of mails and counter services; controlling the financial applications of computerised Philatelic Bureau services and maintaining commercial accounting routines consistent with the Jersey Public Finance Legislation. Current annual income of the Department exceeds £3 million. Candidates should be fully qualified and experienced accountants who are familiar with computerised operations and the provision of accurate and apposite management information. Knowledge of the postal business, whilst not essential, would be of distinct advantage. The successful applicant, who is likely to be in the 30-45 age range, must have the ability to lead and motivate staff. Salaries for both posts according to qualifications, experience and ability on scale £8,613-£9,756 per annum. Full job descriptions, application forms and information about the island are available from Personnel and Management Services, Curzon House, 59/61 Halkett Place, St. Helier, Jersey, Channel Islands. Telephone (0534) 75858, extension 22. Closing date for applications: 15th December, 1978.



## ELECTRICAL/ELECTRONICS ANALYST

A leading London firm of international stockbrokers seeks an experienced electrical/electronics analyst to join its expanding United Kingdom research department. Candidates should ideally have 4 to 5 years' experience in the area and should be prepared to produce regular written material and to liaise with a large institutional clientele. The position offers considerable scope for the right candidate who should be flexible and self-motivating. A competitive salary will be offered. Please reply giving detailed CV plus present salary to Box A.6558, Financial Times, 10, Cannon Street, EC4P 4BY.

## STRUCTURAL ENGINEERING—£12,000

### THE CHALLENGE

To create direct and motivate a new Company to operate the Structural Steelwork field. The client is for the Company to hold substantial steel stock for the purpose of designing, supplying and erecting structural fabrications, both building and industrial, to client specifications. The client's steel stock premises, shop facilities, heavy transport and engineering support are available. Substantial funds have been allocated to sponsor this project.

### THE CANDIDATE

The ideal candidate would already be in a position of seniority in a similar organisation, a self-motivated with in-depth experience of this market. The initial rewards are a salary of £12,000 plus the normal benefits expected for a position of this standing, including generous pension, or -if- the initial appointment will be on a probationary period. Please write initially enclosing details to:

HALL PLACE, SEAL SEVENDOKS, KENT.

## CONTROLLER/TREASURER

West End

c. £14,000

Responsible to the Managing Director the successful applicant will be recruited as a Personal Assistant with specific responsibility for financial control and international treasury. Supervising qualified staff in these areas, the appointee will additionally formulate corporate planning techniques, deal with international taxation matters and play a major role maintaining successful control of this rapidly expanding business.

A US subsidiary engaged predominantly in "big ticket" leasing, our client is undergoing substantial growth throughout Europe necessitating the development of more sophisticated management information techniques. Aged 30-40, applicants should be qualified accountants with international treasury and controllership experience ideally gained in a US subsidiary. Please telephone or write to David Hogg ACA quoting reference I/1747.

EMA Management Personnel Ltd.  
Burns House, 88/89 High Holborn, London, WC1V 6LR  
Telephone: 01-242 7773

## Managing Director

Private housing

c. £15,000

A successful private group involved in construction, property development and investment in South East England requires a Managing Director for its private housing subsidiary. He/she will be responsible to the group Board for the continued profitable expansion of the company to around 500 units annually from its present level of some 200. He/she will oversee all aspects of the activity including site finding, development, financial appraisal and sales. In this work he/she will liaise with group central services and outside professionals as necessary. Candidates in their thirties or forties, preferably with a professional qualification, should have general management experience of

housing development possibly gained in a large company at Regional Director level. They should be marketing oriented and highly profit conscious. Salary is negotiable around £15,000 plus car and other fringe benefits. Location: Hertfordshire. PA Personnel Services Ref: GM34/6659/FT.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 0660 Telex: 27874



A member of PA International

## GROUP MANAGING DIRECTOR

The Lilleshall Group is steel orientated involving hot rolling of steel sections, steel stockholding and general engineering. It has a turnover of about £12m. and is an independent public company.

The Group Managing Director who will be responsible to the Main Board is required to take over from the present Chief Executive in June 1979. A proven record of achievement in the steel industry is essential and preference will be given to candidates with experience of running small to medium sized companies.

Apply in confidence to:

The Chairman,  
The Lilleshall Company Limited,  
St. George's, Telford, Salop TF2 9BQ.



THE LILLESHALL GROUP

مكتبة الأمل



## Media Relations Manager

c£10,000  
Putney,  
SW London

This is a new appointment in our Corporate Headquarters at the centre of a Company that in 1977 increased turnover by 45% to over £4.5m. Rapid and profitable growth, with more than halving business overheads, creates a unique opportunity for a Media Relations Manager.

You will be responsible to the Head of Public Affairs for the management of the Company's Office, supported by both Chief and Assistant Media Officers.

The excitement and challenge of this role spring from the responsibility for maintaining the close relationship with the full range of UK media in the context of a rapidly changing high technology environment. Some of the exacting requirements of this job include as you would expect:

- Strategic thinking and the initiation of newsworthy material.
- The ability to appreciate the implications of news and information in an international context.
- A high degree of management acceptance.
- The initiative and professional ability to respond quickly to the needs of the media.

This new post will attract the seasoned professional who can demonstrate considerable

achievement in PR or the media. An understanding of computers would be an advantage to the man or woman we appoint. Salary is negotiable around £10,000 plus eligibility for the 1979 Promotivity Bonus, with appropriate large company benefits.

Please send full details, including salary progression, to Don Walker, Manager Recruitment and Development Services, International Computers Limited, 9-1991 Upper Richmond Road, Putney, London SW15 2TG, quoting reference FT1129.

## International Computers

think computers - think ICL



## Deputy Financial Controller

to £9500 + car

Cambridgeshire

Our clients, an expanding Public Group of Companies with major interests in the Distribution field, now wish to strengthen their financial team by appointing a Deputy Financial Controller.

The key role of the person appointed to this new post will be to manage the Group's major accounting centre. This includes responsibility for the major operating Division's accounting, consolidating the Group's financial and management accounts and cash control. Consolidation of Group budgets and business plans and liaising with Group advisers on taxation matters is also a main task.

Candidates, male or female, should be aged 28-35, professionally qualified (ACA, ACMA, ACCA) with proven technical and management ability in a medium to large size company using computer-based systems. Salary is negotiable to £9500 plus Company Car, BUPA and assistance with relocation expenses where necessary.

Please send your curriculum vitae in confidence to J. C. Cartwright at the address below, or telephone 01-437 2515 (24 hour live answering service) for a personal history form quoting reference number: 287.

**Lunan**

Management Selection Division

T.D.A. Lunan & Associates Ltd,  
1 Old Burlington Street,  
London W1X 1LA.

## Treasury Accountant

Wiltshire

This position provides an opportunity for a young qualified accountant to widen his or her career experience within the Treasury function of a diverse multinational Group of companies. Burmah is an oil-based industrial enterprise incorporating Burmah-Castrol, Quinton Hazell, Halfords and a range of engineering and industrial companies as well as interests in North Sea oil and shipping.

The successful candidate will be a member of a small, professional team and will be responsible to the Group Cash Manager for the preparation of the Headquarters' Cash Flow Forecast and for installing and maintaining a computerised cash reporting system to monitor the use of Group cash resources. In addition, he or she will report on aspects of the Group's banking relationships, currency exposure and general corporate

c.£8000

performance in the area of money management. Although familiarity with Treasury work and financial policy and procedures in a multinational environment would be an advantage, the basic prerequisites of all applicants are that they should possess the ability to work under pressure and be of an intellectual calibre that enables them to contribute constructively to the effectiveness and development of the cash management function. Benefits in line with large-company practice include assistance with relocation expenses where appropriate.

For an application form call David Freeston, Recruitment Manager, on Swindon (0793) 30151 Ext. 2482 or write to him at Burmah Oil Trading Limited, Burmah House, Pipers Way, Swindon, Wiltshire SN3 1RE.



## FIXED-INCOME MANAGER

The First National Bank of Chicago is expanding its international investment management group, and is seeking an experienced portfolio manager for international bonds. The duties include developing fixed-income strategies, managing an existing pool of multi-currency bond portfolios, advising other investment management offices within the group, and coordinating security research. The fixed-income manager will work closely with the economic research staff in London, and the U.S. fixed-income group in Chicago. New business is being developed by a worldwide team of marketing representatives.

Candidates should have several years experience in managing bond portfolios, plus an ability to communicate effectively. Knowledge of modern portfolio theory would be helpful.

Salary will be commensurate with experience and talent. A good benefit programme is part of the compensation package.

Please send typed applications and career histories, in complete confidence, to Richard Carr at:

FIRST CHICAGO ASSET  
MANAGEMENT CORPORATION,  
P & O Building,  
1-Adenwall Street,  
London EC3N 4QU.



## FINANCIAL EXECUTIVE ECUADOR

We require a Business Graduate or Chartered Accountant aged 27-33 for our Group's varied operations in Ecuador. Some experience in industry or commerce is essential, and a knowledge of Spanish advantageous.

The job will require initiative and creativity in the area of financial analysis and planning. Reporting will be to the Managing Director, Ecuador. EDP facilities are available.

An attractive remuneration package is offered. Please reply, with details of education/experience, to:

The Managing Director,  
Clyde Petroleum Limited,  
78 St Vincent Street,  
GLASGOW, G2 5TX.

## A significant opportunity in life assurance marketing



## Zurich Life Assurance Company Limited

Zurich Life requires a Marketing Manager to operate from its H.O. in Portsmouth. Reporting directly to the General Manager, the successful candidate, who may be male or female, will be responsible for all aspects of marketing, including advising on new product design, advertising and press and public relations.

However, a most vital element in the job is leading the sales operation through seven strategically sited branches staffed by Managers, Life Superintendents and Inspectors. A considerable amount of time will be spent away from base visiting these branches and their broker connections as Zurich Life is entirely broker orientated.

Applicants must be experienced in marketing functions and have the ability to lead and motivate successfully a field force from the front which infers substantial expertise in the life assurance and pension areas.

The Company is a rapidly expanding and successful organisation selling orthodox contracts, and in 1978 will set even more new records. It needs a seasoned life assurance professional in

the 30-40 age group who has acquired solid marketing know-how along the way - and only the best will do. Zurich Life operates under the Zurich Group umbrella whose world-wide life funds exceed £1,400 million and premium income is in excess of £260 million.

Since this job requires a high degree of creative talent and proven success in the immediate past, the position carries a top salary plus associated benefits, which include assisted mortgage scheme, non-contributory pension and company car.

Please write giving full career history to: - Mr. F.R. Hall, General Manager, Zurich Life Assurance Company Limited, P.O. Box 20, Zurich House, Stanhope Road, Portsmouth PO1 1DU, marking envelope "Strictly Personal".



**ZURICH LIFE**

London, Birmingham,  
Glasgow

C&L

£7,000 - £10,000+

## Accounting Consultancy - a challenging environment

As one of the largest British - and international - firms of management consultants, we offer a fast moving and stimulating environment with the opportunity to work on challenging assignments for private and public sector clients in the U.K. and overseas.

The high standards demanded by clients and by colleagues from a range of disciplines will ensure that your technical, problem solving and communicative skills will develop rapidly. And depending on your longer term interests, management consultancy can offer a rewarding career in its own right or be a stepping stone to senior management positions in industry and commerce.

Our immediate need is for men and women, aged 28-35, who have a professional accounting qualification and can demonstrate a record of achievement in successful organisations, particularly in the field of profitability and development of management information systems.

With at least 3 years in commerce/industry, experience in developing and operating computer based systems is also desirable. Successful candidates will have the opportunity of working in multi-discipline teams both in the U.K. and overseas.

Competitive starting salaries will be negotiated individually. These career and salary progression will depend solely on performance. For those interested, there are opportunities for overseas assignments which carry premium salaries and generous living allowances.

Brief but comprehensive details of career and salary progression to date, which will be treated in confidence, should be sent to any of the offices below quoting reference CF2048 and including, if possible, a daytime telephone number at which you may be contacted.

## Coopers & Lybrand Associates Limited,

Management Consultants,

Bob Bradford,  
Lyndon House, 52 Hagley Road,  
Edgbaston, Birmingham B16 9PN.

John Cameron,  
Shelley House, Noble Street,  
London EC2V 7DQ.

Clive Williams,  
Highland House, Waterloo Street,  
Glasgow G2 7DB.

COMMERCIAL  
BANKING



ASIA-PACIFIC  
AREA

## BRANCH MANAGER

Our Bank has achieved considerable growth in recent years and continues to expand throughout Southeast and East Asia. We offer a challenging opportunity to join our forward-looking organisation at top level, as Manager of one of our key branches in the region.

The ideal candidate will be a seasoned all-round US or European-trained banker, already holding a responsible post with a well-established commercial bank. He will be interested in building a long-term career with an international bank well-connected with its shareholder group of seven leading European banks. Working experience in an international environment, preferably in Asia, is a prerequisite.

The position calls for an active Manager who will have overall responsibility for the direction and administration of the branch's operations. The ability to motivate people and to sustain the continued growth of the branch is imperative.

Remuneration will be negotiable and commensurate with the high standards and experience required. Fringe benefits are of top international standard.

Qualified applicants are invited to apply in confidence by sending a full curriculum vitae to:

The Chief Personnel Manager, European Asian Bank  
Rathausstr. 7, D-2000 Hamburg 1/W. Germany, Tel.: 040/321441.

## European Asian Bank

HAMBURG · BANGKOK · HONGKONG · JAKARTA · KARACHI · KUALA LUMPUR  
MANILA · SEOUL · SINGAPORE

## THE BANK OF TOKYO, LTD. LONDON OFFICE

As one of the leading international banks we are pleased to announce that, following continued expansion in business, we are now looking for an Assistant in our International Finance Centre in London. We consider that this post is ideal for a young graduate (male or female). Experience in the general banking field would be an advantage but not essential. It will involve assisting our International Officers in all aspects of international financing and is, therefore, considered suitable only for those with ambition and initiative. An attractive salary will be paid and there are excellent fringe benefits.

Please write and enclose a detailed curriculum vitae to:

Mr. B. R. Dawson,  
THE BANK OF TOKYO LTD.,  
20/24 Moorgate, London EC2R 6DH.

## Jonathan Wren - Banking Appointments



The personnel consultancy dealing exclusively in the banking sector.

The following are among our more urgent current assignments:-

- LENDING OFFICERS (Middle East experience) ..... to £15,000
- PROJECT FINANCE OFFICER (Engineering background) ..... to £10,000
- FOREIGN EXCHANGE DEALERS (senior) ..... £10-£14,000
- EUROBOND SETTLEMENTS (senior) ..... £9-£10,000
- EUROBOND SETTLEMENTS CLERKS .. to £6,000
- CREDIT ANALYST ..... to £5,000
- LOAN ADMINISTRATORS ..... to £6,000
- ACCOUNTS CLERK - SENIOR (Bank of England returns experience) .. c. £4,750
- STOCK EXCHANGE SECURITIES ..... to £5,000
- DOCUMENTARY CREDITS ..... c. £4,000
- F.X. ADMINISTRATION ..... £3,500-£3,800

For further details, please contact:  
NORMA GIVEN (Director) or DAVID GROVE.

170 Bishopsgate London EC2M 4EX 01-623 1266/7/8/9



## BANKER SENIOR INTERNATIONAL LENDING MANAGER

35 - 45

c. £15,000

Our client, a major, well-established overseas bank, will shortly appoint a Senior Lending Executive to its European Division, located in London. His/her responsibilities will include:-

- ★ Implementation of lending strategy and policy
- ★ Control of corporate lending in all currencies
- ★ Development of new and existing corporate business

The ideal candidate will have had at least five years' recent experience in corporate banking, gained probably with a merchant bank or with another international bank. This experience should include syndicated eurocurrency lending, export financing using E.C.G.D. services and trade financing generally.

Apart from undertaking extensive managerial responsibilities, the person appointed will be expected to have the ability and drive to develop new business opportunities. A competitive salary will be negotiated, and the final package will include attractive fringe benefits.

Please apply:  
Jack Courts  
Chichester House  
Chichester Rents  
London WC2A 1EG  
01-242 5775

**Career  
plan**

## FINANCIAL P. R. EXECUTIVE

Charles Barker Lyons is looking for an ambitious 25-year-old with some City or business experience.

The company is Europe's leading public relations consultancy. The successful candidate will join the Financial/Corporate Division which handles public relations for a wide range of City institutions and major international companies.

The job is exciting, the salary good and the prospects excellent. If you are interested ring or write to:

Jasper Archer  
CHARLES BARKER LYONS LIMITED  
30 Farringdon Street, London EC4A 4EA  
Tel: 01-236 3011

## EUROBOND DIRECTOR

Our client, a major American Broking and Corporate Finance House, will shortly appoint a director to head up their growing London based Eurobond operation. The successful candidate will have:

- ★ An established first-class reputation within the fixed income area.
- ★ The ability to lead and build a successful team.
- ★ An understanding of the international operation covering a number of markets and currencies.
- ★ The intellectual capacity to appreciate economic factors and to use them in his daily work.
- ★ The desire to build a business of the highest quality where integrity and energy will be equally essential to success.

The ideal candidate will probably be working in a senior capacity as the head of a department or perhaps a number two position with another North American broking house or with a Bank. The person appointed will have a seat on the International Board and will be expected to make a contribution to the successful running of the organisation as a whole.

SALARY IS OPEN TO NEGOTIATION BUT IS UNLIKELY TO BE A PROBLEM FOR THE RIGHT CANDIDATE.

Please apply:  
Jack Courts  
Chichester House  
Chichester Rents  
London WC2A 1EG  
01-242 5775

**Career  
plan**

## Financial Director

Following recent re-organisation, this UK company is poised for the next stage of its development and has the necessary finance to support it. Turnover exceeds £4m., over 50% of which is exported.

Responsibility will be to the Managing Director for all accounting and related activities, including contributions to policy formulation.

Probably in their 30's, candidates must be qualified accountants with proven senior accounting backgrounds which include the development and administration of computer based control systems related to batch manufacture - ideally engineering.

Remuneration for discussion in the range £10,000 to £12,000; car; top hat pension; re-location help to pleasant Eastern Counties area.

Please write with full details - in confidence - to G. E. Howard ref. B.29452.

This appointment is open to men and women.

**MSL**

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

International Management Consultants

Management Selection Limited

Union Chambers 63 Temple Row Birmingham B2 5NS

## Assistant Group Financial Controller

There are excellent prospects for advancement both within the function and into general management in this British owned international group which has a worldwide turnover in excess of £100m. and a record of consistent growth. The successful candidate will work closely with the senior financial executive on the further development of management information systems, treasury, taxation, etc., and will deputise for him as appropriate.

Candidates, aged about 35, must be qualified accountants with broad experience gained in commerce or the service industries; practical experience of EDP and taxation would be an advantage. Salary negotiable about £11,000 plus car, bonus, non-contributory pension. Location London.

Please send relevant details - in confidence - to J. M. Ward ref. B.41351.

This appointment is open to men and women.

**MSL**

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

International Management Consultants

Management Selection Limited

17 Stratton Street London W1X 6DB

## Taxation Executive

not less than £10,000 p.a.

The Taxation Department at the London Headquarters of RTZ - the UK based international mining and industrial group - advises parent company Directors on operating management and other Headquarters departments on the taxation implications of existing and new projects around the world.

The Department currently comprises a small group of experienced accountants, lawyers and those with an Inland Revenue training, each of whom is directly responsible to the Manager. We are looking for a new member of this group who will be required to advise both on international tax matters and also on the personal tax questions arising from staff moves between countries.

We are looking for a man or woman with several years experience in a professional firm, a tax consultancy or a company with extensive international activities.

A highly competitive salary and an attractive range of benefits will be offered.

**RTZ**

Please write giving details of career to date, or telephone for an application form to: D. W. Westcott, Group Personnel Services Department, Rio-Tinto-Zinc Corporation Limited, 6 St. James's Square, London SW1Y 4LD. Tel: 01-830 2399.

## International Public Relations

A new appointment. Assistant Public Relations Manager, is to be made to this large and well established international organisation marketing a specialised commodity.

As a senior member of a small, but highly professional department the successful applicant will ultimately be responsible for press and trade liaison in many countries worldwide, and for maintaining/improving the high professional standards throughout the department's PR activities.

Applicants, graduates probably aged up to 40, must show at least ten years' successful PR experience with particular emphasis on direct involvement with the media. A high standard of written and spoken English together with fluency in French are essential and preferably one additional European language. Broadcasting experience would also be useful.

Salary will attract high calibre PR professionals; benefits are first class. London base.

Please telephone (01-629 1844 at any time) or write in the first instance - in confidence - for a personal history form. Mrs. C. Gorst ref. B.1105.

This appointment is open to men and women.

**MSL**

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

International Management Consultants

Management Selection Limited

17 Stratton Street London W1X 6DB

## Chief Executive

*The City of London Building Society*

to succeed the present Managing Director upon his retirement next year and assume responsibility for the Society's management and future development.

The Society is long-established, with gross assets exceeding £65m. It enjoys a unique reputation for its policies and practice and for its philosophy of balanced progressive growth, serving a largely professional membership, as opposed to one of High Street expansion.

The role should appeal to candidates - preferably in their forties and from the Building Society movement, but possibly from elsewhere in the financial services sector - who have the management experience and creative thinking ability to suit the requirements.

Salary in five figures, negotiable, with pension, car, staff mortgage facilities and other benefits.

Please write with relevant details - in confidence - to P. Saunders ref. B.213.

This appointment is open to men and women.

**MSL**

United Kingdom Australia Belgium Canada  
France Germany Holland Ireland Italy  
New Zealand South Africa South America  
Sweden Switzerland U.S.A.

International Management Consultants

Management Selection Limited

17 Stratton Street London W1X 6DB

## COUNTY TREASURER'S DEPARTMENT

### Investment Management

Principal Investment Officer

Grade PO1B: Salary £8,060 to £8,702 per annum, inclusive of supplement

The Council's pension fund totals nearly £100m and has an annual surplus of over £15m. The fund's investments are managed mainly 'in-house' by a small team of officers, each covering various sectors.

Applications are invited from persons with a thorough knowledge of stock market procedures and experience in portfolio management of either gilt-edged or UK equity investments, preferably in the institutional field.

An accounting qualification and/or an appropriate degree with investment analysis and research experience would be an advantage.

Further details may be obtained from Bob Johnston, Deputy County Treasurer - extension 144 - or John Smith, Chief Loans and Investments Officer - extension 563.

Please write or telephone for an application form, quoting post reference T35A, to the Chief Executive (Personnel), South Yorkshire County Council, County Hall, Barnsley S70 2TN - telephone: Barnsley (0229) 86141, extension 266.

Closing date for applications will be 11 December 1978.

**South Yorkshire  
County Council**

ENERGY IN ACTION



## Financial Manager

Saudi Arabia  
c.£24,000 p.a.

This is a career opportunity with a leading Belgian construction company. Expanding overseas commitments have now created this senior vacancy in their Doha office.

Qualified, or with membership of a professional organisation, you must have a minimum of 5 years management experience, preferably within the construction industry. You will head an efficient finance department utilising computerised accounting and reporting systems and you will be responsible for all aspects of financial policy. Reasonable fluency in French is desirable for this position.

- There are many employment benefits, including:
- ★ Married status
  - ★ Company housing
  - ★ Non-contributory pension scheme
  - ★ Excellent home leave

Please send a detailed resume quoting Ref: 68 FM to:

Webb Whitley Associates Ltd.  
INTERNATIONAL RECRUITMENT CONSULTANTS  
45 Kensington High Street, London W8  
Tel: 01-937 6558

**WA**

## ASSISTANT FINANCIAL CONTROLLER Antwerp c.lm.Bel.Francis

The European operations of a South American corporation, our client has a substantial post war growth record, and currently has plans for major expansion. Whilst primarily involved in grain dealing, the group has worldwide interests which are truly diverse.

Reporting to the Financial Controller, the successful candidate will be responsible for overseeing the preparation of financial and management information, and annual budgets. Other areas of involvement will include the development of computer based systems and conduct of various projects.

Applicants should be qualified accountants who have approximately 2 years post qualifying experience in an international environment. They should demonstrate the maturity to control a finance function, and be able to communicate effectively with all levels of management. A working knowledge of Spanish, whilst not essential, would be an advantage.

For more detailed information and a personal history form please contact either Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2312.

Commerce/Industrial Division

Douglas Lymbias Associates Ltd.  
Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NE Tel: 01-836 8901  
121, St. Vincent Street, Glasgow G2 8HF Tel: 041 228 3108  
3, Cornhill Place, Edinburgh EH3 7AA Tel: 031 225 7244



## FINANCIAL CONTROLLER Riyadh - Saudi Arabia

Emoluments circa £22,500 + House & Car

Our client is a marketing and project development company with extensive operations in the Middle East and offices in many European centres.

The company now plans to recruit a Controller who, reporting to the local Chief Executive, will have responsibility for all aspects of finance, management reporting, and administration.

Candidates should be qualified accountants, probably aged in their early 30's who have experience in industry commerce. A strong but flexible personality is essential and candidates should have the ability to creatively contribute to the company's commercial development.

For more detailed information and a personal history form, please contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2313.

Douglas Lymbias Associates Ltd.

Accountancy & Management Recruitment Consultants,  
410 Strand, London WC2R 0NE Tel: 01-836 8901  
121, St. Vincent Street, Glasgow G2 8HF Tel: 041 228 3108  
3, Cornhill Place, Edinburgh EH3 7AA Tel: 031 225 7244



Merche  
This is  
leading  
planning  
the organi  
controls a  
computer  
ment is t  
tense Det  
ble for t  
banks, s  
Hansen an  
audit firm  
Ay  
Mer



## Financial Controller

£10,000 plus car

West Scotland

This is an unusually attractive opportunity for a young high potential accountant to join a company able to offer wide scope in overall company financial control together with real opportunities for personal development. The company, part of an international group, markets and manufactures high quality products and is well known as a brand leader. The person appointed will have responsibility for all management and financial accounting and will be expected to play a broad role as part of the management team in determining and administering financial policy.

Candidates, male or female, aged around 30, should be ACMA's or CA's who currently operate at senior management level in a large manufacturing company and can demonstrate ability in financial control related to manufacturing and marketing activities. The ability to operate under considerable pressure and potential to develop to Board level within a short time are also looked for. Salary is negotiable around £10,000 plus car and other benefits include generous help with relocation costs to West Scotland.

(PA Personnel Services)

Ref: AA45/6667/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

127 George Street, Edinburgh EH2 4JN. Telephone: 031-225 4481



International PA International

## Regional Director Yorkshire/North of England

c. £12,000 with car

This is a rare opportunity to join one of the major UK brewery groups at a senior executive level, reporting to the Managing Director of Scottish & Newcastle Beer (North) Limited.

The post carries responsibility for the sales, marketing and distribution of our products within a major region and the post holder will be expected to meet sales and profit targets; plan local marketing strategies; manage an extensive stockholding and distribution function; and make a considerable personal contribution to the overall success of Scottish & Newcastle Beer (North) Ltd. This will require outstanding ability in analysing business opportunities; the man management skills needed to plan and organise the activities of 200 employees towards common objectives; and the installation and maintenance of necessary procedures and controls to ensure a rapid response to changes in the market place.

The preferred age range is 35 to 45 and candidates, male or female, must be able to show a proven record of success in general management, probably starting from a professional training in marketing, finance or distribution. It is, however, essential that this experience can be related to the needs of the modern brewing industry which is now one of the most dynamic and competitive sectors of the UK economy.

Conditions of employment, which include a non-contributory pension and life assurance scheme, are such as one would expect from an organisation of this standard.

Please write, in the first instance, enclosing a full curriculum vitae to:

J. B. Benson, Personnel Director,  
Scottish & Newcastle Beer Company Ltd,  
Gilmere Park, Edinburgh EH3 9SB.



Scottish & Newcastle Breweries Limited

## FINANCIAL DIRECTOR

(Designate)

LAKE DISTRICT

c.£15,000

+car

We are a small but successful Company with international headquarters in an extremely pleasant Lake District location. We offer this position as part of our development programme to cope with the increasing world-wide demand for our proprietary industrial products and to plan for future growth.

An experienced professional is required to assume responsibility for the planning and management of revenues, profits and tax, deriving from the international operations of the Company and its Overseas subsidiaries.

Ideally, the successful applicant should be from an industrial background and have practical experience of contract sales abroad.

The development of refined costing procedures in conjunction with the sales, production and purchasing management functions will be an important task. The Director designate will report to the Managing Director and supervise not only the UK Accounts Department, but also the accounts functions of its Overseas offices.

We are a dynamic Company with a world lead in certain areas. We require a person with ambition and creativity to assist in managing and guiding the Company in the future.

Please send concise details of experience, and qualifications, quoting reference EB/17A, to: Box A.6560, Financial Times, 10 Cannon Street, EC4P 4BY.

## Résponsable de la Comptabilité Analytique

autour de F. franc 100.000 par an  
selon le candidat.

- placé sous l'autorité du directeur financier et chargé de:
  - la détermination et l'analyse des coûts standards, réels, prix de revient usiné et marges brutes, l'établissement et l'exploitation de méthodes d'appuyant sur l'utilisation d'un ordinateur de gestion industrielle.
  - la recherche permanente de l'augmentation de la rentabilité de chaque produit, en liaison avec la production, le service commercial et la direction.
- Des développements ayant rapport aux routines d'ordinateur.
- toute autre mission confiée par le directeur financier par exemple, contribution à la préparation annuelle du plan de développement de l'entreprise.
- ce poste est situé en Alsace et
- il comporte une réelle possibilité de promotion à moyen terme dans un important groupe international.
- Le choix se fera sur un honneur ou une compétence:
  - pourvu d'une solide formation comptable obtenue en Angleterre (ACA, ACCA, ACAA), aux Etats Unis ou en France.
  - pratiquant couramment l'anglais et le français.
  - ayant l'expérience des méthodes anglo-saxonnes de gestion, préalablement acquises dans l'industrie mécanique.
  - capable d'animer et de diriger une équipe.
  - de préférence âgé de 25 à 40 ans.
- Adressez curriculum vitae accompagné de photographie et présentations à:
  - Postbox No. 80673, Austin Knight Limited, London W1A 1DS. Les premières interviews en GB.
- Discretion assurée pour toute candidature.
- Les demandes d'emploi sont transmises au client concerné, par conséquent vous devez mentionner les compagnies qui ne vous intéressent pas dans une lettre d'introduction au Postbox Number Supervisor.

AK ADVERTISING

## Financial Director Designate

London

c. £10,000

One of the leading rental companies in the music industry, a subsidiary of a large group, seeks to appoint a Financial Controller and Director Designate. The Financial Controller will be responsible for the financial control of the company's operations in the UK and USA. Reporting directly to the Managing Director, he or she will work closely with him on the overall management and development of the company's activities. The job will be based in London and will involve some travelling to USA operations. The successful candidate will be a qualified accountant, probably in mid 30's, with a proven record of achievement in financial management at a senior level in an industrial/

commercial organisation. The ability to control a rapidly developing operation is essential and experience in the equipment rental business would be an advantage. This key appointment carries a salary in the region of £10,000 p.a. and the usual large company benefits, including company car, pension scheme and sickness benefit.

REPLIES will be forwarded direct unopened and in confidence to our client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

### PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-233 6060 Telex: 27874



## OR Management Consultant

Price Waterhouse Associates, members of the Management Consultants Association, require an additional consultant to join the London office of the UK division of their international management consultancy practice. The consultant will be required to carry out work involving operational research, computer modelling and statistical techniques. Particular emphasis will be placed on financial applications.

Consultancy assignments, often involving multi-discipline teams, arise in the public and private sectors both at home and overseas (for example Africa, the Middle East and in the Indian sub-continent). In the case of overseas assignments substantial additional allowances are paid.

Applicants should have a first or second class degree in a numerate discipline, preferably a post-graduate qualification in OR or statistics, about four years' experience of the application of OR in business or the public sector, knowledge of at least one computer modelling language and experience in computer based financial modelling applications from formulation to implementation in one or more of these areas:

- budget preparation
- long-term planning
- investment appraisal.

The preferred age range is 25-30 and the starting salary will be negotiated up to £8,500. The company provides a continuous training programme and excellent career prospects in an environment where promotion is entirely dependent upon ability and personal effort.

Please telephone or write for an application form to David Prosser, Executive Selection Division, Southwark Towers, 33 London Bridge Street, London SE1 8SY, 01-407 8889, quoting MCS/8734.

Price  
Waterhouse  
Associates

## UNIVERSITY OF LONDON

### Assistant to Secretary

—Superannuation arrangements

This is a new post created in response to rapid growth in our superannuation scheme, as well as by the new demands imposed by legislative and other requirements.

The successful candidate will assist the Secretary, helping to formulate policy, co-ordinate special projects, and to carry out research in connection with all elements of the scheme—particularly those related to the legal and technical, as well as to the negotiators and communications, aspects.

The post offers a starting salary in the range £3,834-£6,054 (inclusive of London Allowance, and under review). Other benefits include 6 weeks annual holiday and membership of the University Superannuation scheme.

Applications are invited from recent graduates in a relevant discipline such as economics or statistics or from individuals experienced in pensions work. The successful candidate will be expected to make or continue to make professional progress, including the acquisition of relevant qualifications.

Further details are available from: Personnel Officer, University of London, Senate House, Malet Street, London, WC1E 7HU. Closing date for receipt of application is 22nd December 1978.

## ACCOUNTANT/SECRETARY

Urgently required for a rapidly expanding Building Services Company based in Twickenham. Applicants should be about 30/35 with a recognised qualification and experienced in accounting in the Construction industry. Duties will include maintaining full Company accounts, preparing interim and Annual Balance Sheets, regular cash flow forecasts, and combine the work of a Company Secretary.

Remuneration is negotiable around £7,000 per annum depending upon qualifications and experience.

Candidates should send a detailed career history to Box No. A.6559, Financial Times, 10 Cannon Street, EC4P 4BY.

## PENSION FUND MARKETING

c. £9,000

Prospects of early Board appointment

A well known City investment group is seeking a young executive for its management team to play a major role in the development and expansion of its growing pension fund management business and pensions advisory service. Candidates, who should be well educated and preferably in their early thirties, must have sound training and experience in institutional investment management gained in a merchant bank, stockbroking firm or in an allied activity. Experience in pension fund management would be an added advantage.

An important feature of the job specification will be the need to exhibit

the ability and right personal qualities to deal with existing and prospective clients at the highest level.

Career prospects are good and there is the possibility of an early appointment to the Board of the operating company. Commencing salary is negotiable around £9,000 p.a.

Applications, which will be treated in strict confidence, should contain relevant details of career, background and experience, salary progression, age, education and qualifications.

Please send details to Box A.6537, Financial Times, 10 Cannon Street, EC4P 4BY.

## Manager Internal Systems

Merchant Bank

City

This is an appointment within a leading Merchant Bank which is planning a comprehensive review of its organisational methods, financial controls and the development of future computer applications. The requirement is to manage the Internal Systems Department, which is responsible for the general efficiency of the bank's systems and for computer liaison and also includes the internal audit function. The successful candi-

date, male or female, will probably be a qualified accountant, aged between 30 and 40, possessing a wide knowledge of systems and having experience in the use of computers as a management tool, acquired in a progressive company or major consulting firm. Experience in a financial institution would be an advantage.

This appointment carries an attractive remuneration package and has excellent scope for advancement.

Applications in confidence quoting ref. 6328 to B. G. Laxton, Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE. Tel: 01-404 5861.

### Mervyn Hughes Group

Management Recruitment Consultants



## Senior Executives for International Oil Company

A leading oil company seeks high calibre executives to fill the following positions at its head office in the Middle-East area.

### Area Co-ordinator (Product Sales - International Marketing) Ref. K-151-78

Basic function: develop, promote and market petroleum products internationally within assigned geographical regions. Ensure that optimum profitability is achieved within the terms of established sales and marketing objectives. Co-ordinate with regional offices within the assigned region on major aspects of sales activity.

#### Qualification Requirements

University degree in business administration or economics or equivalent, 7 years relevant experience in international sales management of petroleum products. Perfect knowledge of English language is essential. Preference will be given to candidates with previous experience in major oil companies with background and experience in supply logistics and planning. Candidates must also possess good analytical ability of the international oil scene.

### Senior Petroleum Economist Ref. K-155-78

Basic function: develop forward supply plan covering costs and revenues based on corporate guidelines. Make recommendations on the economic and operational viability of contracts and other items which should be co-ordinated with corporate policy. Make critical analysis, discuss and appraise emerging new trends in energy matters, such as changing supply demand patterns, alternative costs of different sources of energy etc.

#### Qualification Requirements

A university degree in chemical or process engineering, 10 years' experience in process engineering, supply planning in the oil industry and adequate knowledge of supply and cargo trading economics. Familiarity with linear programming. Perfect knowledge of the English language is essential.

### Assistant Division Manager Ref. K-152-78

Basic function: lead a team of four to six highly qualified employees in initiating and carrying out planning and economic studies related to the development of company plans. The evaluation of major capital investment projects and programmes. The assessment of new business opportunities and financial issues. Analysis of a wide range of operational and financial issues.

#### Qualification requirements

BSc in petroleum, chemical or industrial engineering, MBA or other graduate level finance/business degree, 10 years' applicable experience in the petroleum industry including refining, petroleum economics and planning with a minimum of two years in a managerial post. High proficiency in English. Age: between 32-40 years.

### Senior Planner Ref. K-120-78

Basic function: carry out planning and economic studies and analyses related to the development of short and long term company plans and objectives. The evaluation of major capital investment projects and programmes. The assessment of new business opportunities and sales, and various other project studies and business analyses as required.

#### Qualification requirements

BSc preferably in engineering, MSc degree and/or MBA also highly desirable. 7 years' direct working experience in the petroleum industry. Preferably including exposure to refining, petroleum economics and planning. Perfect knowledge of the English language is essential. Age: between 30-35 years.

Very attractive salaries and fringe benefits will be offered. Among the benefits, 45 calendar days of annual vacation, annual vacation air-tickets, furnished and air-conditioned apartments, educational allowance for children's schooling, medical insurance, etc.

Interested applicants are, in the first instance, invited to write to: Copeland and Charrington Ltd., 27, Hanniker Mews, London SW3 6BL giving full details of qualifications and experience. Please also quote the appropriate job reference number on both envelope and letter.

**COPELAND & CHARRINGTON LIMITED**

27, Hanniker Mews, London SW3 6BL

## International Investment Manager

Leading Merchant Bank invites applications for the post of Senior Investment Manager, male or female, with experience in international markets, particularly those of Continental Europe.

Applications in confidence quoting ref. 6327 to  
**B. G. Luxton, Mervyn Hughes Group,**  
2/3 Cursitor Street, London EC4A 1NE.  
Tel: 01-404 5801.

**Mervyn Hughes Group**  
Management Recruitment Consultants

## The Institute of Chartered Accountants in England and Wales

## Education and Training

Chartered Accountant

c. £11,000

This is a senior post in the Education and Training Dept. where the development and implementation of the Institute's policies for the education and training of students and of members is the prime task.

Responsibilities involve wide contact with members, students and their firms and include participation in the formulation of training policies and development of means for their implementation, personal lecturing and counselling at training courses and seminars, and advice and support to the Institute's committees responsible for training.

The successful applicant will be a Chartered Accountant with considerable experience of training within the profession. The ability to think creatively and to communicate effectively is essential.

Please write with full details of career to

**Mr. K. A. Curl, Chartered Accountants' Hall,**  
Moorgate Place, London EC2R 6EQ.  
(Tel: 01-628 7060).

## Newly Qualified ACA

London based

to \$7,500 + car

You are a first class professional auditor. You have grown tired of checking historical facts. Are you now ready to stretch yourself. Develop your experience and make a more effective and immediate impact on business?

If so, an American multinational, which last year set up audit and consultancy functions to service its UK and Western European activities, is keen to recruit an individual like you and without question will provide the necessary stimulus to your career.

Experience in one of the top firms, plus the desire and ability to travel (you can be either married or single) are the only prerequisites we have set.

If this opportunity to operate with responsibility and independence in a major group appeals to you, please write in confidence with concise personal and career details, quoting reference T898/FT, to R. G. Billen.

**AMS**

Arthur Young Management Services  
Rolls House, 7, Rolls Buildings  
Fetter Lane, London EC4A 1NL

مكتبة لائل

Berks

C&L

c. £14,000 + car

## EUROPEAN FINANCE MANAGER

### The Company

An international American group specialising in the sale and service of process control systems for the paper and plastic manufacturing industries. The group, which has subsidiaries throughout Western Europe, has an impressive record of growth over the past five years and worldwide sales are currently in excess of US\$60 million per annum, of which over US\$25 million are generated in Europe.

### The Job

He or she will join a small headquarters team to assist the Director of Finance for Europe in the financial planning and in control of European operations. Main areas of emphasis will be in raising funds, managing foreign exchange positions, cash management and the review and appraisal of financial operating procedures.

### The Candidate

Preferred age early thirties. Original training with an international audit practice leading to an accounting qualification and ideally experience since of international banking. A service industry or manufacturing background would be helpful.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to J. G. Cameron, Executive Selection Division at the address below. Please quote reference CS360 and include, if possible, a daytime telephone number at which you may be contacted.

**COOPERS & LYBRAND ASSOCIATES LTD.**

Management Consultants

Shelley House, Noble Street, London, EC2V 7DQ.

## PENSIONS ADMINISTRATORS Major Opportunities in International Banking

The Trustee Company subsidiary of a major international bank in London has two openings for experienced men or women in its pensions administration function.

### Trust Officer- Pensions

You will be responsible to the Managing Director for all aspects of the day-to-day administration of a number of self-administered corporate pension plans. This involves working closely with independent investment managers as well as liaison with corporate clients, actuaries and auditors.

This opening calls for an able administrator—ideally with a professional qualification—with at least ten years' experience in an insurance company, consultancy, private fund or trust corporation. It offers ample scope for increasing your responsibilities in an expanding field.

### Assistant to the Trust Officers

Working in self-administered occupational pension plans, your responsibilities will include control functions, reconciliations, preparation of annual accounts, payment of benefits and maintenance of all relevant records.

You will have had 5-7 years' experience with an insurance company, consultancy, trust corporation or private fund supplementing a good basic education to 'A' level standard, and you will be progressing towards a professional qualification.

Both these appointments offer salaries negotiable according to experience and qualifications and supported by a wide range of benefits including low cost mortgage assistance, non-contributory pension and life assurance, free lunches, BUPA and profit sharing.

If you feel you meet the requirements of these interesting and challenging posts, please write with full details of career to date, including salary progress, to Alastair Myers at the address below, quoting reference PA/293/FT. Please list separately any companies to which your application should not be forwarded.

**B&B**

CONFIDENTIAL REPLY SERVICE  
Benton & Bowles Recruitment Limited,  
197 Knightsbridge, London SW7.

**ALLDERS**  
DEPARTMENT STORES LTD  
require a  
**FINANCIAL CONTROLLER**  
**£9000 + Car**

Allders Department Stores Ltd. has 15 stores, 6,500 employees, a turnover in excess of £100m, and an exciting programme of expansion. The Financial Controller will report to the Store Director and functionally to the Finance Director of A.D.S. Ltd. He/she will be responsible for the total financial and administrative function of one of our London-based stores. The job will include responsibility for 30 staff, preparation of financial accounts, credit sanctioning, accounts payable etc. The right person will be a qualified accountant, aged 27-35, with at least 2 years' commercial experience. An ability to gain the respect and co-operation of all levels of management is essential. A knowledge of advanced computer-based procedures would be a benefit. 4 weeks' holiday, optional pension scheme, free meals, generous discounts, B.U.P.A.

Please apply to:  
**Mr. A. A. Salem (Finance Director)**  
Allders Department Stores Ltd.  
PO Box 4, 190 London Road  
Hackbridge, Surrey SM46 7EL. Tel: 01-669 4488

### Assistant Controller FINANCE & ADMINISTRATION c. £7,500

This appointment offers management responsibility to a young accountant, 25 - 27, within the well-organised computer based Finance Division of a Major Group.

The initial role will provide variety and interest, and career development prospects are excellent.

call

**Robert Miles**

01-248 6321

**Personnel Resources Limited**  
Recruitment Consultants

### SENIOR EXECUTIVES

If you are in the job market now - we are here to help. Courts Careers provide:-

- \* Excellent job search assistance.
- \* A thorough knowledge of the job market.
- \* Contact with top recruitment.
- \* Confidential and expert counselling.
- \* Superb Secretarial back up.

Telephone now for a cost free assessment meeting.

**Percy CUTTS & Co.**

**01-839 2271**  
140 Grand Buildings  
Trafalgar Square,  
London WC2.

**BURGE & CO.**  
are looking for an experienced PARTNERS ASSISTANT

with flair and ambition to work on their desks. Candidates would need to be conversant with general stock exchange procedures and to enter a competitive atmosphere. Mrs Peter Bladder on the 4th floor.

## Selection Consultant

London based

c. £10,000 negotiable

For a small firm of Selection Consultants based in London, offering services throughout the UK and Common Market countries, also the Middle East and Far East. Applicants should be graduates with a minimum of 3 years experience with a reputable executive selection and search organisation and be capable of conducting assignments unaided. Excellent prospects. Preferred age 28-35.

Details in confidence to Philip Egerton, quoting reference 131.

**Philip Egerton & Associates**

Selection Consultants

178/179 Piccadilly, London W1Y 0QP

## Hotel Financial Controller

PARIS

Inter-Continental Hotels Corporation requires an experienced Controller for one of the company's most important Flagship Hotels in Europe. Fluency in English and French are prerequisites for consideration for this position.

Inter-Continental Hotels Corporation is an acknowledged industry leader and presently owns, operates or franchises a total of 81 hotels in 24 countries. The position advertised offers real prospects for future advancement within the company, either at the hotel level or as a member of the corporate staff.

Applicants should have a recognised accounting qualification or corresponding university degree. Knowledge of the hotel industry and data processing, while not essential, will be a decided advantage in the evaluation of applications. The successful candidate will be directly responsible for a department of approximately 40 staff operating a computer-based accounting system. Responsibilities will include cash management, the formulation and supervision of day-to-day operating controls, the preparation and review of monthly management reports and financial statements, the preparation and control of operating budgets and the co-ordination of all tax and legal aspects of the hotel's activities.

Salary is negotiable and will be commensurate with the background and ability of the successful applicant. Excellent benefits are provided.

Applicants should reply giving full details of previous experience and salary history, quoting reference. All replies will be held in the strictest confidence. Interviews will be held at various locations throughout Europe during the month of December.

Write Box F.1088, Financial Times,  
10 Cannon Street, EC4A 3DF.

## Director of Cranfield Product Engineering Centre

The CPEC has been established by the Cranfield Institute of Technology to provide a comprehensive service to the engineering industry in the field of product development, improvement, design, development and marketing. It will operate on a fully commercial basis by selling its services to industry.

Substantial initial financial support has been granted by the Department of Industry. The Centre will be housed in a new, purpose-built building and will be fully equipped to very high standards.

Applications for the post of Director are invited from professional engineers with extensive experience in product design and commercial development. The Director will be an employee of the Institute and the first tasks will be to develop the role of the Centre and to appoint the staff. The salary will be in the range of £12,000-£14,000 p.a. plus other benefits. The appointment is the first instance will be for a period of five years.

Initial enquiries will be welcomed by Professor P. A. McKenna (Bedford 750862).

**CIT**  
CRANFIELD INSTITUTE OF TECHNOLOGY  
ADVANCED TRAINING  
APPLIED RESEARCH

Further particulars may be obtained from:  
The Personnel Officer,  
Cranfield Institute of Technology,  
Cranfield, Bedfordshire, MK43 0AL,  
(Bedford 750111),  
quoting reference 532/P.

## PROJECT FINANCE OFFICER c. £10,000

Our client, International Finance, seek a person to become involved at the level in the management of prospective projects (mainly Middle Eastern) such as Hotels, Airports, New Towns, Cement Works and the like. Ideally with a degree and probably some engineering background or knowledge, he or she will currently be working in either Finance or Marketing. The successful candidate will be readily at home negotiating with Architects, Lawyers, Bankers, Engineers and Business Analysts. The role in London will involve some overseas travel.

Telephone 485 7715 or write in confidence to:

**DAVID WHITE ASSOCIATES LIMITED**

84, Kingsway, London W.C.2

## PROBLEMS

**DELLA FRANKLIN**  
01-248 6071  
**ALANGATE AGENCY**  
2nd Floor,  
78 Queen Victoria St., EC4  
**MONEY BROKERS**  
(Carrying on since 1897)  
**FOREIGN EXCHANGE DEALERS**  
to £10,000  
**STAFF ADMIN. OFFICER**  
to £10,000  
**INTERNAL AUDIT**  
to £8,000  
**TRAINER FX DEALERS & MONEY BROKERS**  
to £4,000  
**ACCOUNTS**  
some computer knowledge to £4,500  
**JUNIOR & TRAINER BANKING ASSISTANTS** 18-24 weeks in Accounts Management Information Systems, Exchange and Billions departments. £3,300-p

Your next move

call  
**Robert Miles**  
01-248 6321

**Personnel Resources Limited**  
Recruitment Consultants

**LEADING STOCKBROKERS**  
in London Wall require a CLERK

in the 20-30 age group with experience in the Arbitrage/Foreign Settlement field. Salary negotiable to be based on experience, plus bonus and superannuation scheme.

Write giving age and experience, to:  
Mrs A. J. Jones,  
10, Cannon Street, EC4A 3DF,  
or phone 625 3788 for an appointment.

## FIVE FIGURE ACCOUNTANTS

As one of the leading operating accountancy companies we can help you find the right career development opportunity at the right salary.

We have a number of vacancies that a competent, enthusiastic and motivated person should be able to fill. To apply for any of our appointments please contact Alan Brown on 01-248 6321, or at 10, Cannon Street, EC4A 3DF, or phone 625 3788 for an appointment.

**DRAKE ACCOUNTING**







# How does this ad work?

**Tick the things that make this ad work:**

☐ **By familiarizing**

"Advertising works by familiarizing by making something well known, bringing it into common use. This is the absolutely basic value created by advertising the one underlying all others."

☐ **By reminding**

"Advertising works by reminding—a function that may alone, in some cases, make advertising pay."

☐ **By spreading news**

"Advertising works by spreading news—not only news in the newspaper sense, but a special kind of news that only advertising in the commercial field can most widely deal with...."

"The vitality which news gives to advertising is so great that when it is not available built-in no Advertising Man will fail to seek it elsewhere."

☐ **By overcoming inertias**

"No matter how effective an advertisement may be in creating interest and desire, there is always some loss in response due to the inertia which keeps people from taking even the action they might have been disposed to take...."

"There are common causes for the inertia—either the reward for action is remote and often intangible; or the penalty for inaction is delayed. What kind of advertising message has a chance to overcome such inertias?"

☐ **By adding values**

"Advertising works by adding a value not in the product—the most challenging field for creativeness in advertising...."

"Subjective values are no less real than tangible ones."

**If you are responsible for an advertising campaign, do the same for one of your ads. Be honest! Then read on...**

There are five basic ways in which advertising works. Any one advertisement may work in one or more ways. They are described by James Webb Young of JWT in his book "How to become an Advertising Man." Jim Young was a writer at JWT from 1912-64 in America and in Europe.

If you would like a copy of his book, please complete the coupon. We think it's one of the best books ever written on the subject by anyone anywhere. But perhaps we're biased. Anyway, we shall know how well this ad worked when we count the coupons.

We only have 100 copies of the book, so you might like to complete the coupon now...

Please complete this coupon, pin it to your letterhead and send it to  
Jeremy Bullmore, The Chairman, & Walter Thompson Co. Ltd.,  
40 Berkeley Square, London W1X 6AD. (01-629 9496)

Please rank, from 1 to 5, the ways in which this ad worked for you.

☐ By familiarizing. ☐ By reminding. ☐ By spreading news.  
☐ By overcoming inertias. ☐ By adding values.

Please send me a copy of Jim Young's book, or an apologetic letter if this is not one of the first 100 coupons you receive.

Name \_\_\_\_\_

Position in Company \_\_\_\_\_

(How to become an Advertising Man by James Webb Young was published in Chicago in 1963 by Advertising Publications, Inc.)

**JWT**

Just  
D-6  
Pho  
Tele

We  
invest  
in for  
25 co  
Louis

Dental  
Louis  
Indus  
Paris

**B  
ma  
has**

East  
include son  
magazines  
influential  
evening  
want our to  
compleat  
two offset  
Wh  
Our  
Commands  
fully prin  
Popul  
four colour  
50 000 cup  
and if you  
Our  
costs, ton, P



# The Marketing Scene

COMMERCIAL RADIO AWARDS

## A winning ride for the 'Indian' bus conductor

THE BEST radio commercial of 1978 was "Indian Bus Conductor" starring Peter Sellers and produced by Mollins for agency Colman and Partners and client Camping Gaz. Well, it won the gold microphone award on the vote of the audience at the third annual radio awards organized by Campaign at the Dorchester last Monday.

But perhaps it would be wiser to wait for the rival Marketing Week radio presentations at the Hilton on December 11 when the whole process is repeated. The fact that two such occasions can be held within a fortnight of each other and both packed to the gunnels shouts loudly that a large slice of the advertising world is getting far on commercial radio this year.

All told expenditure on radio could touch £30m, a substantial improvement on the £23.1m of 1977. Obviously the growth rate is slowing down but radio is taking full advantage, and more, of the advertising boom which looks set to last at least until the summer. The long-awaited downturn may actually happen by autumn 1979 but in the meantime radio, and advertising generally, will be fully stretched trying to meet the demands of advertisers.

Already some advertisers have failed to get time this autumn on the sought after breakfast radio spots on the main stations, and although demand is easing off in December rather earlier than in 1977 there is every confidence that it will pick up again in January.

An encouraging feature is the possibility that by the end of 1979 two more commercial stations will be on the air—Cardiff and Coventry—making a network of 21 stations. Six more should arrive in 1980 and then three-quarters of the population will be able to receive commercial radio, making this virtually a national medium.

At the moment some of the smaller stations are still struggling to attract advertisers at the rate of the big city operations, like Capital in London, Clyde in Glasgow and Piccadilly in Manchester, because of their comparatively high cost per listener. Whereas Capital can offer itself



Peter Sellers—captivating the adworld

as a radio alternative to Thames TV, and has a revenue in excess of £5m to prove it. Plymouth is not yet in a position to rival Westward TV. But when there are stations in Torquay and Exeter it could be another story. Radio awards are good prestige events and they suggest that even the largest agencies now take radio seriously. There might still be room for improvement at the creative level but standards are rising and even the more dubious clients like the food companies are starting to invest in radio. A list of the top ten radio advertisers makes interesting reading, showing a much wider spread than television, which is almost completely retailer dominated.

The top five radio advertisers this year to date are Barclays Bank, British Airways, Walls meat products, Boots and Safeway. All spending in excess of £250,000. They are followed by Barratts, the liquor retailers, Wrangler jeans, the Eggs Authority, Aquaria cream, and Mothercare. New, potentially large, advertisers, like Mars confectionery, are increasing their investment in radio.

Its attractions are its comparative cheapness, its ability to pinpoint markets, and the short lead times. The Camping Gaz campaign is a case in point. The commercials were transmitted during a six week spell in the spring in the five main cities with commercial radio. The cost was around £50,000 and the aim was to broaden awareness and use of the product. It brought this French company its highest sales ever in the UK.

Not only is radio satisfying advertisers. All the stations, on air are making a profit, at least on a month by month basis and there is no shortage of candidates for the new stations. With the 1980 obviously aiming to cover the country with commercial radio, all the signs are favourable that this medium will survive the potential cracks in confidence next year better than most.

Anthony Thorncroft

BRANDS VERSUS RETAILERS

## A sudden death

BY IAIN MURRAY

Those manufacturers of branded goods who have responded to hyperinflation by slashing advertising budgets are committing commercial suicide, according to Mr. Roy King, director of sales and marketing at Heinz.

Speaking at a meeting of the Institute of Practitioners in Advertising on the subject of brand versus retail advertising, Mr. King said that advertising was often the easiest cost to cut, partly because of the difficulty of reducing other overheads—particularly the wage bill in today's environment—and partly because in the late sixties it became fashionable to believe that advertising may be less necessary for well entrenched brands.

Both of these trends and short-term actions now need vigorous resistance if branding is to survive, and I believe the advertising profession should take a much more serious, sober and professional interest in lobbying for its product," he said.

One of the more ardent lobbyists, Mr. Stephen King, head of J. Walter Thompson's development group, echoed Roy King's fears, but exempted Heinz from the blame that attaches to so many makers of branded goods.

Between 1970 and 1977, said Stephen King, retail advertising had increased by 417 per cent, while expenditure on the top 35 brands had halved. "Many branded goods manufacturers have got into a vicious spiral," he said. "Low profits have led to low investment—in new plant, new processes, new products, product improvements. R. and D., skilled management and workers, advertising and consumer research."

"This has been followed by lower profits which leads to further cuts in investment. By contrast, retailers appear to have got into a virtuous spiral. Many have invested in new sites, new stores, new methods, new skills, advertising and research. Though the going has been hard, on the whole profits have improved, which has led to more investment."

Mr. Peter Davis, Sainsbury's marketing director, said that it was misleading to talk about brand versus retail advertising, because they were complementary. A criticism of retail grocery advertising is that it is all about price, but what the critics often mean is that it is about the price of brands.

"To my mind there is a clear distinction between advertisers' brand advertising and retailers'

advertising of the price of brands," said Mr. Davis. "Very often the manufacturer who criticises us retailers for advertising that is indistinguishable is nowadays producing products which are indistinguishable from each other."

Mr. Davis criticised the growing practice of manufacturers giving advertising money to retailers. "It is dangerous for brands. It has increased the stakes and over-emphasised the importance of promotions rather than concentrating on year-round distribution. Generally it is the weaker manufacturer, or one with indistinguishable brands, who gives in to the retailer, and is then followed by the people he is trying to beat."

He added that housewives are often well aware that there is not much to choose between brands, and that there is considerable evidence in some markets of brand switching solely on grounds of price. Maybe, said Mr. Davis, that was why manufacturers were wary of subsidising retailers' advertising rather than spend money promoting their brands.

## Agency News in Brief

● A pilot survey, commissioned by Charles Barker Recruitment, predicts, not surprisingly, that The Observer will make the major readership gains if The Sunday Times ceases publication. Half the readers who look at the job sections would switch to The Observer, a third to the Sunday Telegraph, one in ten to the Sunday Express, and the remainder split around.

● The seasonal pre-Christmas campaigns for perfumes include £500,000 by Prince Matchebell for its Aviance and Cachet fragrances (agency Davidson Pearce) while Boots is advertising "It" nationally with £140,000.

● "Viori" in ATV and Trident. Agency is McCormick Richards.

● Brentford once the major TV advertiser returns to the medium for a pre-Christmas promotion, selling the stores for gift buying. The agency is Benton and Bowles.

● Reckitt and Colman is test marketing Hot Measure, a hot lemon bedtime cold remedy, in the Yorkshire TV region. The company's brand leader Lemsup in the last growing £3.5m liquid cold remedy market.

● The Economist Intelligence Unit has analysed the UK consumer advertising market which it estimates at £36.6m at retail prices in 1977. The DIV side is put at £18.6m. The comprehensive survey of the industry costs £700.

● McCann has appointed Mike Reynolds from Allen Brady Marsh as a creative director.

● J. Walter Thompson is to act for National Airlines worldwide from March 1979. The U.S. airline is the third largest flying into Europe.

● During the first three months of 1979 Danish Agricultural Producers will be spending £850,000

on a national advertising and promotional campaign to boost its share of the UK bacon market. This is in addition to the £50,000 being spent during the month of next year to promote Danepak, Denmark's brand leader in the pre-packed bacon market, plans for which were announced last month.

● The Yellow Pages TV campaign, which broke on July 8, not only reversed the seasonally low summer usage figure but also raised directory usage to record heights. Current research shows that during one week in September 34 per cent of all adults (over 14m people) used Yellow Pages, compared with 32 per cent in August.

● The Yellow Pages, compared with 32 per cent in August, showed a low summer usage figure but also raised directory usage to record heights. Current research shows that during one week in September 34 per cent of all adults (over 14m people) used Yellow Pages, compared with 32 per cent in August.

● December sees the start of a Christmas burst of advertising for Campari in both the Evening Standard and on TV in the London area. Budget is £50,000 for the national equivalent of £185,000.



The Bisto Kids are being brought back in a £500,000 national TV campaign for the gravy powder which is to break on December 4. The first burst will last for six weeks and there are two new 30-second commercials. The commercials contain live action sequences featuring

roast meat joints while the Kids "have been given more mischievous characters and updated clothes." The TV advertising will run alongside a national poster campaign which is currently appearing on over 8,000 hoardings and which finishes at the end of December.

## The Daily Star — in orbit but course unknown

BY PAMELA JUDGE

IN WHAT orbit is the Daily Star — new nearly a month out from lift-off? From an agency media man's point of view it is on a wandering course.

Ogilvy Benson and Mather is putting clients into the new daily which mainly circulates in the north. But as OBM's Mike Chapman points out, the Daily Star is freely available in London, at least at major railway stations. So that confuses the circulation picture let alone the ad rates. The circulation estimates up and down Fleet Street emanate from many a nook and cranny, but media directors in ad agencies seem to be at one—they are waiting for a statement. Particularly since the figures appear to be bouncing around 500,000-750,000.

Another factor that confuses the pure buying scene is the discounting. Current Daily Star quotes are "well under the first published prices so that probably represents good value." In retrospect it seems that several media men think that it would generate many new readers or have been better to base ad rates on a lower figure (say 750,000) than the initial estimate of 1.4m. And then if the new paper had done well, raise them. At any event at this time of year budgets have been allocated so

with any spare money it is a question of jumping in and out. At Benton and Bowles the view is that the paper was launched into that part of the country where discounting advertisement rates was rife anyway.

The Sun with its good yield per page for instance, is thought to be unable to satisfy demand for classified space in the South. Therefore if the space can be used in the north for display there will often be, from the agency buyer's point of view, a good rate. A similar situation applies at the Daily Mirror.

The agency's media news digest for November makes the observation that "it is important to understand that the paper (the Daily Star) is being produced to take up spare production capacity rather than to take advantage of a newly perceived market opening. As a consequence it is likely to have a largely negative impact on the advertising end of the market during its launch period. That is to say, it is unlikely to generate many new readers or have been better to base ad rates on a lower figure (say 750,000) than the initial estimate of 1.4m. And then if the new paper had done well, raise them. At any event at this time of year budgets have been allocated so

with any spare money it is a question of jumping in and out. At Benton and Bowles the view is that the paper was launched into that part of the country where discounting advertisement rates was rife anyway.

prove beneficial to advertisers since competition will keep the rates war going.

J. Walter Thompson's view is that it "cannot see why regular national advertisers should suddenly switch or add to their budgets."

All this is reinforced by the Media Expenditure Analysis survey of the launch of the Daily Star. The picture is presented by the usual MEAL rate card studies and geographic coverage has to be allowed for. By November 4 the Daily Star had got 7 per cent of display advertising in the area and 3 per cent of classified compared with 20 per cent and 9 per cent respectively in the Sun, for example. By the end of the following week (November 11) the Daily Star figures were 13 per cent and 10 per cent while those of the Sun were 20 per cent and 12 per cent. For the week ending November 18 the bounce was down to 12 per cent and 6 per cent (Daily Star display and classified) and 17 per cent and 8 per cent (Sun display and classified).

All in all a very muddled picture but media directors do have one thing in common—they all want more openings for clients to advertise in.

## THE STATE OF LOUISIANA, U.S.A.

Announces the opening of its New Offices

Justintanstrasse 22 15 Ave. Victor Hugo  
D-600 Frankfurt (Main) 1 75116 Paris  
Phone (0611) 595970 Phone (01) 5021800  
Telex 414561 Telex 620893 F

And a Visit of Government and Business Leaders from Louisiana to the following Cities:

Paris ..... November 30  
Frankfurt ..... December 5  
Duesseldorf ..... December 6  
London ..... December 7

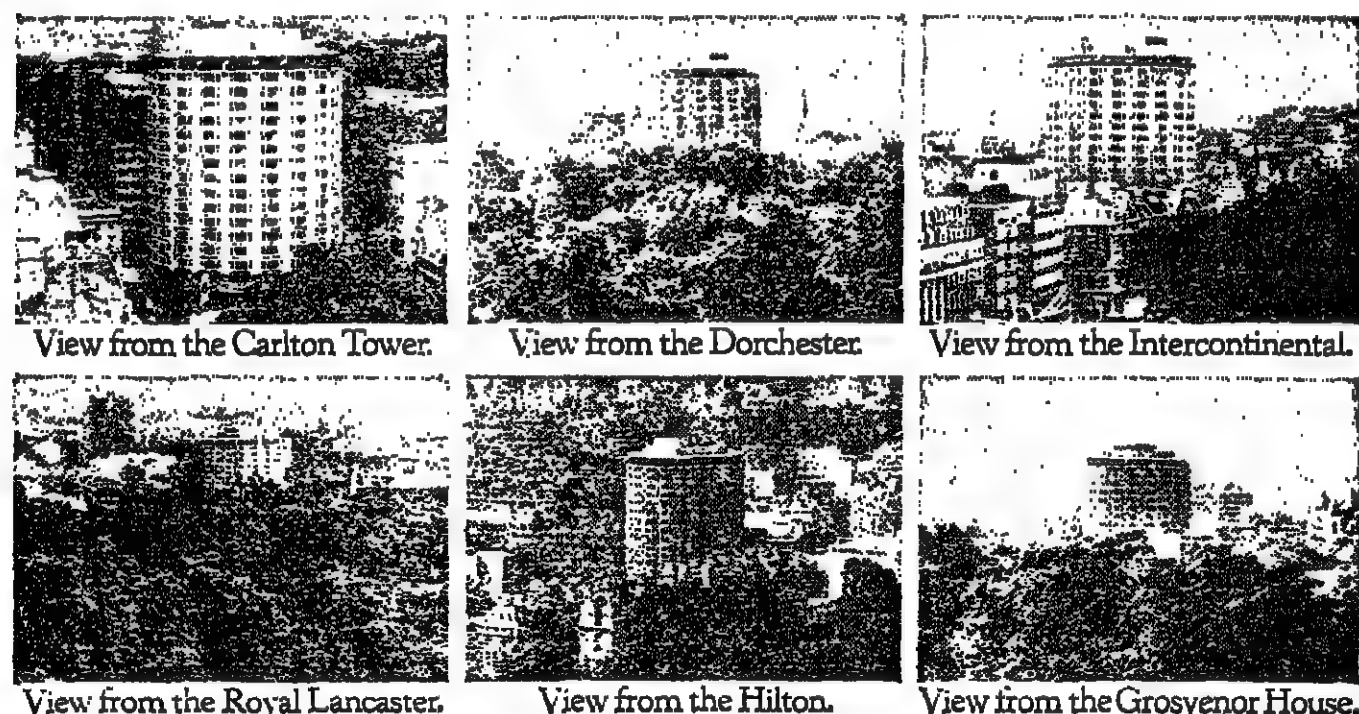
We are seeking individuals/firms interested in capital/industrial investment in Louisiana, currently the number one State in the South in foreign investment. Come win with the leader. Join 140 firms from 25 countries which have already successfully invested \$4 billion in Louisiana, and let Louisiana work just as successfully for you.

For more information contact:

Donald C. Burdon, Director Louisiana Office of Commerce & Industry — Europe Paris  
Carl Koch, Deputy Director Louisiana Office of Commerce & Industry — Europe Frankfurt

The Rotisserie Normande offers you that extra personal touch. Just phone Joseph Lasser, our restaurant manager, and ask him to send a copy of his menu to your home or office. This way you'll be familiar with our dishes when you arrive for dinner. The Rotisserie Normande specialises in La Nouvelle Cuisine, the totally natural style of cooking that is sweeping France. Whilst the dishes are new and exciting, the atmosphere is good old-fashioned candlelight. Have an evening to remember at London's most exciting restaurant. Also open Sundays!

ROTISSERIE NORMANDE  
The Rotisserie Normande at the Portico Hotel in Fortnum & Mason, London, W1C 2JF. 01-486 5844



## They all have excellent views of the Sheraton Park Tower.

Ideally situated in Knightsbridge, with Hyde Park so close it could be your own garden, the Park Tower sits in the heart of London.

It's a perfect centre for discovering (or rediscovering) the best of everything the capital offers.

Harrods and other great stores like Harvey Nichols and The Scotch House are a short walk away.

Theatres, exhibitions and nightspots can be reached quickly and easily, using the Park Tower as your base.

And when you do return to us from your forays into the West End, you'll appreciate the hotel's peace and elegance.

Its spacious, exquisitely furnished

rooms and suites with vistas of London. And, not least, its two restaurants.

Sip coffee at the Café Jardin while watching the fashionable Knightsbridge world go by.

Or, enjoy the haute cuisine at the very French Le Trianon, overlooking beautiful Lowndes Square.

Come and stay with us soon. We promise, you'll leave with some pretty good views of us.

**Sheraton Park Tower**  
Peace and quiet in the heart of Knightsbridge

## Britain's most advanced magazine printing press has made a big impression.

East Midland Litho Printers' contracts include some of Britain's most popular magazines and colour preprint for the most influential national dailies. To handle the ever-increasing number of customers who want our top-quality printing, we've recently commissioned the country's fastest magazine web offset litho press.

What we can do for you.

Our new Koenig & Bauer 'Commander' press means faster, better quality printing. Popular publications containing four-colour work race through at up to 50,000 copies an hour. So you save time—and if you save time, you save money. Our location can cut your distribution costs, too. Peterborough is at the centre of

excellent communications to anywhere in Britain and Europe: fast roads, fast railways—and airports and seaports are not far away.

Come and see.

If you want top-quality printing at more cost-effective prices, contact our Sales Director at County House, 14 Hutton Garden, London EC1N 8AT (telephone: 01-837 5699). He will arrange for you to see the 'Commander' in action.



**East Midland Litho Printers Ltd**  
Oundle Road, Woodston, Peterborough, England, PE2 9QR. Telephone: 0733 68900.

I'm an ad and I'm going abroad...



Media plan? Totally devised in London via JDM—the largest independent overseas media brokers in the UK.

...media by **JDM**

the worldwide media consultancy

940 Kensington Place, London SW7 2JF, 01-834 0162.







## Young Vic

## The Tempest

by B. A. YOUNG

A little bearded man in a grey suit and a soft hat sits at a bare open stage, consuming a roll and a bottle of wine. He might be a professor of philosophy, say, in a down-market university. But no, this is Prospero, sometime Duke of Milan, and there he sits until Act 3 while the action rages about him. Or perhaps there is no action, perhaps the whole insubstantial fabric is an absurd dream of revenge in his mind from Eliza or St. Helena. Does not the play end with the solitary old man, throwing aside his magical fantasies, praying simply to be set free?

The drawback to playing *The Tempest* in this way is that it is deprived of the picturesque images that abound throughout the play. You would imagine that a man dreaming of magic spells would see them as colourful and active, yet Michael Bogdanov keeps everything restrained by the utmost economy. There is no representation of the shipwreck, there is no harpy, there is no masque, though Juno sees one in her mind's eye. Moreover, the costumes are of our own day; Stephen Boxer's Ariel looks about in grubby white flannels, John Labanowski's Caliban is a hunched figure wearing only a loincloth and a coating of dirt.

Yet this is the play in which Shakespeare is most profuse with his stage-directions, directions

like "Solemn and strange music; and Prospero on the top, invisible. Enter several strange shapes, bringing in a banquet; and dance about it with gentle actions of satiation; and, inviting the King, etc., to eat, they depart." If you drain away all this decoration, you are left with only half the play, and this is what we have at the Young Vic. Even the music is reduced to a minimum; when Prospero orders music, "which even now I do," he is rewarded with silence.

Bill Wallis plays Prospero, and keeps his voice in as everyday a key as the rest of the production. Stephano (James Carter) and Alonso (Malcolm Rennie) are the only two who infuse any individuality into their parts; the others, even Fiona Victory as Miranda, seem to be content to get the sense over and leave it at that. Ferdinand in Christopher Ashley's hands seems to have taken on rather a handsome personality, not at all a prince who believes himself to be a king.

Ariel's appearance is generally signalled by offstage singing and "I will lift up mine eyes unto the hills, from whence cometh my help" in the manner of an Anglican choir, which is odd in a play where God is so determinedly ignored. Mr. Boxer has written his own songs, but is never allowed to make much of them. My feeling is that Mr. Bog-



Christopher Ashley and Fiona Victory

danov's idea of a purely mental Tempest is a good one but inappropriate to such a Shavian production. Without demons and goddesses and so on, you need lashings of music and speech as

## Half Moon

Ernst Toller (1893-1939) is famous these days for his reputation, established by productions of plays written while he served a five-year sentence for his participation in the 1919 Bavarian Soviet. *The Machine Wreckers* was premiered in 1922 at Max Reinhardt's Grosses Schauspielhaus, Berlin. While Piscator and Meyerhold mounted other spectacular Toller productions, *The Machine Wreckers* became a favourite set piece in the repertoire of the Workers' Theatre Movement in England after its British premiere at the Kingsway Theatre in 1923.

The Half Moon's luxuriantly small-scale version, directed with cool precision by Tim Albery, is welcome first of all as a chance to fill gaps in our knowledge of German Expressionism. It is, admittedly, a less typical example of the movement than other Toller plays — *Masses and Men* (conveniently revived at the Cockpit this week) or *Hinkampt*, for example — but it proceeds with a brute narrative strength even if the individual scenes do not, as John Willett has observed, "contain dialogue of much tension".

Toller uses the weavers' Nottingham strike of 1915 to develop an argument for workers welcoming the new technology; in order to take control of it and improve their lot and that of their children, Jimmy Connell, the Tollerite visionary hero, proclaims his Marxist message in the form of what he brands "shortsighted resentment to the machine installed by the smooth-tongued boss, Ure. His chief adversary is Ned Lud (John Hartley), a blunt, stolid weaver

## The Machine Wreckers

with 13 children. The debate is aggravated by the cowardly John Willey (David Fielder), a cringing co-servant of the overseer who tells his daughter to gratify the capitalists' lust.

In this area of the play I find more texture than I had expected, and the adept company of just eight actors and three children conjure a grim under-world among a landscape of filthy garbage that gathers around the audience's ankles. The designer is Mick Bearwish, and his and then the sacrificial Jimmy,

whom Jim Hooper invests with unsanctioned righteousness and naive self-assurance. The company also includes the extraordinary Simon Callow, doubling a literally unbearable Ure, sleek and vicious, with the strange masked character of the Old Reeper, a dispossessed agrarian who believes the wrecked machine to be God and the mutilated Jimmy his son. The translation used is that prepared by Peter Tegel for a recent radio broadcast. MICHAEL COVENEY



Scene from The Machine Wreckers

## New National year

Seven new productions are scheduled to join the National Theatre's repertoire in 1979. The Olivier Theatre will present *A Fair Quorum*, a rarely-performed Jacobean drama by Thomas Middleton and William Rowley; *The Fruits of Enlightenment*, a comedy by Tolstol in a specially commissioned new translation by Michael Frayn; the British stage premiere of *Open Country*, a tragedy-comedy of 1914 by Arthur Schnitzler in a specially commissioned new version by Tom Stoppard; and *The Orestia*, the massive trilogy by Aeschylus, in a specially commissioned new translation by Tony Harrison, production

with music and choruses by Harrison Birtwistle. Opening in the Lyttelton Theatre will be *Close of Play*, a new play by Simon Gray, and *For Services Rendered* by W. Somerset Maugham. The National Theatre's small auditorium, the Cottesloe, is to present *The Long Voyage Home*, four short plays of the sea by Eugene O'Neill, given together in a single production. The Cottesloe will also stage the first play in *The Orestia* trilogy, *Agamemnon*, as work-in-progress before it moves to the Olivier, where the other two plays, *The Libation Bearers* and *The Eumenides*, will then open alongside it to complete the production.

## UK ECONOMIC INDICATORS

**ECONOMIC ACTIVITY**—Indices of industrial production, manufacturing output (1975=100); engineering orders (1970=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1977							
3rd qtr.	106.3	103.2	106	104.3	234.2	1.413	151
4th qtr.	106.9	103.1	107	104.4	238.4	1.431	157
1978							
1st qtr.	107.1	102.5	110	106.3	245.0	1.409	188
2nd qtr.	111.1	105.0	106	108.0	254.2	1.387	213
3rd qtr.	110.8	104.8	106	110.5	267.6	1.380	212
May	110.1	103.7	115	108.4	255.2	1.386	210
June	111.7	105.3	109	108.7	257.3	1.386	211
July	111.1	105.2	108	111.6	265.8	1.371	211
August	110.9	105.2	110	111.5	270.3	1.382	209
Sept.	109.8	104.9	108	109.5	266.5	1.378	219
Oct.				109.5		1.380	228
Nov.						1.339	231

**OUTPUT**—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile Housg.
1977						
3rd qtr.	104.3	98.7	116.5	98.9	101.3	25.4
4th qtr.	104.9	97.5	114.4	98.7	95.2	20.7
1978						
1st qtr.	105.3	99.5	115.3	100.8	98.4	17.8
2nd qtr.	107.9	99.2	122.9	107.7	108.2	20.7
3rd qtr.	107.1	100.8	122.4	101.8	102.2	22.8
May	107.0	99.0	121.0	100.9	97.0	25.1
June	109.0	100.0	124.0	101.9	112.0	26.0
July	108.0	101.0	124.0	101.0	113.0	23.6
August	108.0	101.0	122.0	103.0	93.0	20.3
Sept.	107.0	99.0	121.0	100.0	101.0	24.5

**EXTERNAL TRADE**—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn
1977							
3rd qtr.	124.4	106.6	+ 31	+ 574	- 602	101.0	13.4
4th qtr.	117.6	102.7	- 3	+ 607	- 637	102.4	20.39
1978							
1st qtr.	120.0	114.1	- 608	- 313	- 642	104.6	20.63
2nd qtr.	122.5	110.4	- 150	- 183	- 398	104.6	16.75
3rd qtr.	126.1	116.0	- 281	- 56	- 111	105.2	16.55
June	122.0	111.9	- 101	+ 10	- 107	104.2	16.54
July	127.1	116.1	- 134	+ 22	- 104	104.5	16.5
August	125.2	111.2	- 68	+ 143	- 95	105.2	16.4
Sept.	125.9	120.7	- 215	- 140	- 195	105.5	16.51
Oct.	128.2	111.8	+ 119	+ 209	- 131	105.2	15.97

**FINANCIAL**—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (200m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
3rd qtr.	28.0	10.4	20.3	+243	1,157	1,149	7
4th qtr.	23.2	12.6	8.7	+ 608	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,260	61
2nd qtr.	8.5	13.7	24.6	+2,858	694	1,393	10
3rd qtr.	16.8	5.3	8.6	+ 438	746	1,427	10
June	8.5	15.7	24.6	+ 314	147	459	10
July	8.5	9.6	34.7	+104	200	458	10
August	5.7	1.6	15.7	-292	200	493	10
Sept.	16.8	5.3	8.6	+713	348	478	10
Oct.	12.7	5.4	1.6	+533	363		10

**INFLATION**—Indices of earnings (Jan. 1976=100); basic materials and fuels, wages and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic matts.	Wholesale mfg.	RPI	Foodst.	Comdy.	Strlg.
1977							
3rd qtr.	116.1	146.4	142.9	184.7	192.1	239.9	61.3
4th qtr.	119.9	142.2	145.3	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.8	197.2	238.61	64.5
2nd qtr.	128.9	146.3	154.7	195.8	203.5	242.27	61.5
3rd qtr.	133.2	144.9	152.7	199.2	206.2	253.74	62.4
June	135.1	147.0	152.7	197.2	206.7	242.27	61.3
July	132.6	145.8	153.3	198.1	204.1	237.68	62.1
August	131.7	144.2	154.3	199.4	205.2	248.54	62.4
Sept.	134.2	144.5	155.6	200.2	206.3	253.74	62.7
Oct.		145.7	156.4	201.1	205.5	265.32	63.1

• Not seasonally adjusted.

## Book Review

## Wagner to the life

by RONALD CRICHTON

Cosima Wagner's Diaries, Vol. 1, 1869-1877. Edited and annotated by Martin Gregor-Dellin and Dietrich Mack. Translated and with an introduction by Geoffrey Skelton. Illustrated. 1,199 pages. Collins, 21s.

Cosima Wagner was the daughter of Liszt and Marie d'Aguiar. Her first husband was her father's pupil, the pianist and conductor, Hans von Bülow, to whom she bore two daughters, and whom she left in November, 1888, to join Richard Wagner at Tribschen, near Lucerne. On January 1, on New Year's Day following, she began the diaries which were to continue until Wagner's death in 1883. He regarded them as material for the completion of his autobiography *Mein Leben*, begun earlier at the request of King Ludwig II of Bavaria. Cosima intended them for her children to read after her death as justification of her conduct to Bülow and to give them "the essence of Richard".

The existence of the Diaries was known. They were used as source material by two biographers, Glasenapp and du Moulin Eckart, but only recently have they passed out of strict custody. Cosima apparently entrusted them to her youngest daughter, Eva, who married Houston Stewart Chamberlain, Hitler's "ideal Englishman". Eva had a running feud with the Bayreuth archivist Otto Strobel. In order to prevent his gaining access to the Diaries she had them consigned to a bank vault in Munich where they were to remain for 30 years after her death—she lived until 1942. Recently they were published in Germany, and here in this readable translation by Geoffrey Skelton which in itself is a considerable achievement.

This first volume covers momentous years mainly at Tribschen, the charming, cosy villa on Lake Lucerne, and at Wahnfried, the uncharming, uncanny, headmaster's house which Wagner built for himself at Bayreuth. These were the years of resumption of work on *The Ring*, after the long gap filled by Tristan and Die Meistersinger, of the birth of the son, Siegfried (Cosima had already borne two more daughters, Isolde and Eva, officially Bülow's), actually the marriage of the choice of Bayreuth in Thuringia for the Festspielhaus for the production of *The Ring*, of the laying of the foundation-stone of the theatre, the building, and the opening in 1876.

What makes the Diaries fascinating is the setting of these events against a foreground of domestic rivalries. Cosima was acutely aware of her momentousness but (assuming no doubt that her children would be equally aware) she allows them to be half hidden by a mass of detail about what she, Richard, and the children did, said and felt—especially felt. Feelings included malice was noted. Not a day but brought its ups and downs. Through there laughter, much of the time was spent in tears—Cosima's health officially broke in middle age, but she lived to be over ninety, while of the children only two died before they were 70. And the dreams! Both Richard and Cosima's dreams are noted in vivid detail—they seem to have had nights as tormented as Stravinsky's Clytemnestra.

Cosima wracked by visions of Hans von Bülow, Richard by glimpses of his dead first wife, Minna. The nightmare described on page 724 is worthy of Der Freischütz. And yet, in spite of so much emotion, an enormous amount was done. Richard continued to write his music dramas on a scale not approached by anyone else before or since—to say nothing of his voluminous prose works and the elaborate preparations for Bayreuth. Apart from writing *Tristan*, Richard wrote his diary. Cosima ran the house, controlled the children (Daniela, the eldest, had rebellious tendencies and once dared to describe one of Mama's jokes as "boring," an act of disloyalty which nearly shattered Cosima). When required, she acted as Richard's



Cosima and Richard Wagner

amanensis, only too glad to ink in pencil sketches for Siegfried and *Götterdämmerung*. They talked, they read widely and mostly aloud to one another (the Greeks, Shakespeare, Calderon, Goethe) they played piano duets. One of my favourite entries (February, 1876) runs: "Talked a lot about the Arians, then about the trio of the Scherzo in the A major Symphony." When Siegfried was born Richard wrote the entries for Cosima, describing the experience through her eyes with more skill as a writer than she possessed. But on the whole the directness of her writing (apparently she never wholly mastered German grammar) is an advantage.

Cosima was a ruthless but extremely capable woman who dealt with a situation difficult in many ways with a success that few other women could have approached. Minna, the success partner of all time, would have been useless now. And yet in spite of her intelligence and quick mind, the Diaries bristle with prejudice—the French Catholics (Jesuits especially), and of course the Jews. Anti-Semitism persists like the buzzing of a mosquito, though it could evaporate when personal friendship, expediency, or both dictated. Her German nationalism had the zeal of the convert—by birth she was Franco-

Hungarian. Most composers with a strong personality are unsure guides to other men's music. Wagner's reported comments are more often than not just perceptive as Strauss's "interesting" with prejudice—the French father, Liszt, deserves a study in

Paper and printing are good. Illustrations mediocre—not one photograph of Cosima's hand writing. There are useful notes and a copious index which could be more detailed still. But why one volume and not two? The result is as unwieldy as the Peerage, and nobody reads that for the length of time the Diaries properly claim. For those with poor sight the book is too heavy

to hold at the right height. Indeed, it threatens to bruise the ribcage. One has to devise impromptu book-rests in uncomfortable positions. The publisher must somehow invent a better format for the remainder of the Diaries. However, much physical discomfort they inflict, they will be especially awaited.

## National Gallery paintings given ultra violet protection

Protection against fading caused by ultra violet rays has been given by the National Gallery to its rooms showing early and 15th century Italian paintings, by means of Sunshield clear adhesive filter film.

The work for these galleries, which contain much precious early Italian work including Uccello's *Battle of San Romano*, was carried out by Sunshield, Windsor, under a Department of Environment contract, has involved treating 570 glass or perspex light fixtures in galleries one to five and the boardroom with about 6,000 sq ft of Sunshield clear polyester ultra violet filter adhesive film.

The Sunshield film replaced a loose-laid film which became torn and curled up so that its screening properties against ultra violet rays were not complete.

## International festival of mime

Following sell-out seasons in the last two years, the third international London Mime Festival will take place from January 10 to February 10, 1979 at the Cockpit Theatre and elsewhere.

From classical mime to clown theatre, the festival offers a variety of performance styles, and this year for the first time includes special performances for children.

The main venue will be the Cockpit Theatre, with performances also being held at the French Institute Theatre, the Goethe Institute Theatre, Jack-an's Lane Theatre and the Roundhouse Downstairs.

## Sadler's Wells

## Solo Ride by CLEMENT CRISP

Dancers are particularly fascinating as they stand in the wings of a theatre waiting to make an entrance. Adorning with a costume, testing a shoe, brushing sweat away, they are yet utterly concentrated, their entire personalities in the narrowest focus upon the task in hand. They look at their most beautiful, because most essential as artists.

These thoughts are prompted by a glimpse of Tom Jobe waiting just off-stage in Richard Alston's *Rainbow Road*, which ended last night's Contemporary Dance Theatre's programme on Tuesday. Every angle of his body, the intense absorption of his pose, suggested a performer of noteworthy gifts. Jobe was the hero of the evening, dancing in all three ballets, and starting in no uncertain terms in the newest piece of the repertoire — *Micha* — which was receiving its London premiere.

It seems to me Berge's most accomplished work to date, and nor care, but I enjoyed the

probably his most mysterious dance for its unexpected performance in the central role. In Siobhan Davies' ravishing, hieratic *Sphinx* which began the evening, Jobe was also a central figure. Here is a dance work of the most refined manner which suddenly reveals its interpreters as figures from a bas relief, and Jobe, in an extraordinary passage in which he swings his arms across his chest, seems to typify its stylistic elegance.

In Richard Alston's *Rainbow Road* which ended an evening of second generation LCDT creativity, Jobe was part of a cast who gave an outstanding account of these rich, allusive dances. Of special interest was the appearance of Patrick Harding-Irmer, for my money one of the most rewarding virtuoso dancers in this country with his heroic, powerful style. London Contemporary Dance Company, I neither comprehend, nor care, but I enjoyed the

## Book Review

## Total theatre by SANDY WILSON

The Theatre of Erwin Piscator by John Willett. Eyre Methuen, £8.95, 72 pages.

I may as well confess at the outset that I am not a fan of Bertold Brecht. Thanks to the good offices of Kenneth Tynan, who was pushing Brecht at the time, I was present at the opening performance of the Berliner Ensemble in London. The play was *Mother Courage*, and, as Helena Weigel dragged that cart round the Palace Theatre stage for the umpteenth time, the friend I was with whispered to me, "Isn't it amazing the way they've all made themselves so plain?" After the show there was a party at the Tynans' flat, and when the Ensemble filed in, we discovered their secret. They didn't have to make themselves plain; they were plain.

The prospect, therefore, of reading a book about the man of whom Brecht said, "Let me tell you that of all the people who have been active in the Theatre over the last 20 years no one has been as close to me as you" was not particularly appealing. But in fact Erwin Piscator, though an intimate friend and rival of Brecht's never collaborated with him in his lifetime, only directing a production of *Mother Courage* after Brecht's death. Deprived of work under the régime of both Hitler and Stalin, he came in New York

in 1938 and founded a Dramatic Workshop where the students included Brecht, Matthau, Sirlich, and Tennessee Williams—who admired Piscator so much that he asked to become his secretary. Returning to Germany after the war, he was at first ignored and then, in his old age, rediscovered by a new generation of political playwrights, among them Weiss and Hochbuth. He never worked in this country—his project for staging *War and*

*Peace* was turned down, rather

initially, by Olivier in 1938—but his techniques have been plucked and plagiarised without acknowledgment by many a solid avant-garde director. The text of this book is short—less than 200 pages—but detailed and informative, and I have the feeling that it was written for the remainder of the illustrations are cramped and at times indistinct as would befit the vision of its subject.

We British are a peaceful people. When a war is over we like to consign it to the history books—and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children—for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension; but there is a limit to what any Government Department can do. This is where Army Benevolence steps in. With understanding. With a sense of urgency... and with practical, financial help.

To us it is a privilege to help these brave men—and women, too. Can you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress  
Dept. FT, Duke of York's HQ, London SW3 4SP



The question is thus no longer whether Spanish membership is desirable, but how it is to be achieved. The negotiations with Spain, just as the negotiations with Greece and Portugal, and the UK before them will concentrate on transitional arrangements. But while an ideal world, serious thought would also be given to the implications of the move to 12 members for the Community's institutions and decision-making procedures. But that is a Pandora's Box that many Governments will be reluctant to open.



The Chicago-based company has been undergoing consider-

This sample list of proposals made in 1978 includes a number of bids which are being strongly resisted and/or may run into anti-trust obstacles.

\* Announced in September, but not being actively pursued.  
† Abandoned earlier this month.

My hand-watcher points out that Japanese and German bonds were worth a mere 2 per cent of their face value just after the war, and have since

BY JOHN WYLES IN NEW YORK

Borg-Warner has substantial investments in Europe, chiefly in the UK, where it has factories making automatic transmissions and plastics.

for the merger for the simple reason that the Firestone dividend, as secure as Fort Knox for 50 years, is now threatened. Management could well have been facing a rough ride from its shareholders anyway, and there was more than a smoking suspicion on Wall Street yesterday that self-preservation has increased the attractiveness of the link with Borg-Warner to the company's top executives.

will almost certainly argue that once the recovery is achieved, then the shareholders will thank the shareholders will thank them for their insulations against the vagaries of the motor industry. Although the replacement tyre market is still adjusting to the growing popularity and durability of the radial tyre, and therefore volume sales for cars and trucks are expected to be lower this year than last, demand is not cyclical. If Firestone can win back the

The merger proposal allows for the management of Firestone as a separate subsidiary. The company's chairman, Mr. Richard Riley, will be chairman of the new holding company which will own the assets of both Firestone and Borg-Warner.

The terms of the agreement are complicated, but in essence they will involve the issue of around \$800m of securities in the proposed holding company, the common stock of which will be owned exclusively by Borg-Warner shareholders. Firestone shareholders will receive a mix of preferred stock and debentures which value their company at around \$1.6 billion, compared with a book value of \$25.50 per share. The price looks, therefore, to be generously rewarding Borg-Warner for accepting the uncertainties of the next few years while protecting Firestone shareholders through a \$1.0 annual dividend on the convertible preferred stock.

But what is the value, as one analyst observed yesterday morning, of owning a tyre operation spread over 185 countries if you cannot sell the product in the single most important market?

Mr. Biese of Borg-Warner, who will be the new holding company's president and chief executive, clearly believes this is a new twist to apocalyptic. He

ing many corporations to look for growth and diversification through acquisition. There is nothing new about this impulse, but the novelty of the last couple of years is that it is affecting an abnormal number of extremely large businesses, as can be seen from the accompanying table. The picture is one of a number of large, relatively cash rich corporations taking advantage of the bargain labels which the U.S. stock market has attached to some very respectable companies over the last few years. Thus in the first nine months of this year, the nation's largest acquisitions worth more than \$100m totalled \$9. well in excess of the \$1 total for the whole of last year.

Borg-Warner, then, is maintaining a very solid trend in which a number of other motor industry supply companies, notably Eaton Corporation, have been participating. But what is the attraction of Firestone which, notwithstanding a very expensive advertising campaign featuring James Stewart, is not on anyone's list of gutter-lip prizes?

Part of the answer must lie in the conviction of Mr. James Bere, Borg-Warner's chairman and chief executive, that Firestone's current difficulties are temporary and that once the next two or three years have been weathered it should again reap the benefits of being the U.S.'s second-largest tyre company. But Mr. Bere is unlikely to be underestimating the current crisis in Firestone's affairs, for he has been an outside member of the company's board since January 1977 and has had a grandstand view of its growing torment.

This started to build towards a climax earlier this year when, after examining 6,000 consumer reports detailing 14,000 separate tyre failures, the National Highway Traffic Safety Administration concluded that there was sufficient evidence to warrant a recall of Firestone's "500" steel-belted radial. The implications of this conclusion were shattering to Firestone, which between 1973 and the spring of this year had marketed this tyre as its main radial product. It had produced some 23m units and both before and after the NHTSA's preliminary determination Firestone doggedly refused to accept that there could be any basis to the agency's finding.

The unfavorable publicity was magnified by public hearings during the summer. Still Firestone insisted that there was no safety defect in its tires despite the fact that by this time it had lost nine court cases and settled 64 without trial. Most of these were brought by plaintiffs alleging personal injury.

Should you feel that  
your Business Travel,  
Conferences, Freight and  
Holidays, could be better  
than they are, we offer  
two words of comfort.  
Rankin Kuhn.

Many people believe that Rankin Kuhn provide the best and most personalised services available today in Business Travel, Conferences, Freight-forwarding and Holidays.

Rankin Kuhn made their name in world travel. And they do everything with polish, flair and style.

Rankin Kuhn. Try them once. You will never go back to the old standards.



**RANKIN KUHN INTERNATIONAL LIMITED**  
**19 QUEEN STREET, MAYFAIR, LONDON, W.1.**

Please send details of your services for Business  
 Travel ☐ Conferences ☐ Freight-forwarding ☐ Holidays ☐

Name \_\_\_\_\_

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

*John, no. 10*

100

been paid off in full. There have been murmurs that perhaps the Chinese will also do the decent thing. "Anything's possible," argues my sound-watcher. No-one seems to be quite sure how much money is involved, but, discounting lampshades, bonds and wallpaper and bonds thrown away, the sum is thought to be not far off \$25m.

In the light of China's desire to attract rather larger amounts of investment from the West to finance the modernisation of its industry, it is argued that [waking 'Jack the dead' by paying off minor old debts could be a shrewd move.

"We have no news about 'Jack'," the Chinese charge d'affaires tells me.

Each room in the villa has its individual stereo system, and is fitted with gold light switches. The three bathroom suites are equipped with sunken baths with 18-carat gold shower fittings and taps. The master

## Creeping back

Committee for the Re-election of the president but the Committee to reject the efforts of the Ex-president. While the Oxford Union prepares to host Richard Nixon, the Oxford Union is installing a closed-circuit TV security system—and \$250,000 of bullet-proof windows.

## Ghost letter

most national newspapers and the most profitable weekly newspaper, this is not being allocated seats to attend Nixon's speech, or so the magazine complained last night. But it has a wind of GREEP and its resolution condemning the "excesses of the Nixon administration" and the "amorality" of Nixon's political conduct. "We do not reject Nixon's right to speak but we would like to remind people of what went on. We are concerned that Nixon is trying to use the fact of speaking at Oxford to bolster his prettaze," is adds.

**Oil opulence**  
When OPEC settles down next month in Abu Dhabi to mull

Should you feel that  
your Business Travel,  
Conferences, Freight and  
Holidays, could be better  
than they are, we offer  
two words of comfort.  
Rankin Kuhn.

Many people believe that Rankin Kuhn provide the best and most personalised services available today in Business Travel, Conferences, Freight-forwarding and Holidays.

Rankin Kuhn made their name in world travel. And they do everything with polish, flair and style.

Rankin Kuhn. Try them once. You will never go back to the old standards.



**RANKIN KUHN INTERNATIONAL LIMITED**  
**19 QUEEN STREET, MAYFAIR, LONDON, W.1.**

Please send details of your services for Business  
 Travel ☐ Conferences ☐ Freight-forwarding ☐ Holidays ☐

Name \_\_\_\_\_

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

*John, no. 10*

100

**Oil opulence**  
When OPEC settles down next month in Abu Dhabi to mull

100



## ECONOMIC VIEWPOINT

## EMS: missed chances and false trails

ITALY'S ACCEPTANCE of a 6 per cent margin around its central exchange rate for its initial period of EMS membership removes all economic obstacles to Britain joining.

A band of 12 per cent between the weakest and strongest currencies, which this agreement permits, is quite large enough to satisfy an adherent of floating rates, provided that the authorities are prepared to change the central parity before the market rate reaches anywhere near the outer limits.

A moving band formula is available not just to Italy, but to any country outside the existing snake which wishes for it. This makes it possible to accept the political argument for membership and continue from within the discussions about how the system should develop.

The British Government is once again being badly advised—this time in its dismissal of wider margins.

Absurd and offensive prestige considerations of not wanting to be in a so-called second league are also at work. One is moved to ask: What is more respectable? To adopt wider margins along with Italy or to remain in a third league on our own? The same riposte goes for those who believe that wider margins would be interpreted as a lack of confidence in the present market rate for sterling.

The rest of this article is concerned with a subject important in its own right, but which is a complete false trail as far as the EMS is concerned. The deal that the British are receiving on the budgetary side of the EEC has been very well advertised. British contributions, net of receipts, will

be running from next year states is eliminated by the mechanism of public finance—any surplus in the United Kingdom or France, and slightly less in Germany, such as Germany or the U.S. According to the MacDougall Committee fiscal transfers eliminate an even greater proportion—between a half and two-thirds—of temporary changes in regional income caused by short-term or cyclical fluctuations.

Very little of this redistribution due to policies specifically labelled "regional" is due to the automatic effects of a progressive personal tax system and a bias in public expenditure programmes and social security transfers towards the poorer regions. In federal countries revenue-sharing and grants to subordinate governments also play a part. A very important point that emerges is that no transfers between regions are quite small as proportions of GDP—around about 4 per cent in Italy and Britain—sufficient to achieve this notable narrowing of regional income differentials.

It is this last fact which led the MacDougall Committee to report that it would be possible to achieve within the European Community something like the present rate of inter-regional redistribution within countries by a careful stepping up of the Community budget from its 1977 level of 0.7 per cent of Community GDP to a level no more than 2.1 per cent. Moreover, most of this could, in theory, be achieved without an increase in total public expenditure, but by a shift of funds of existing expenditures to a Community level. The Committee calls this level of integration pre-federal. "Non-federal" might be a less provocative label.

It is this last fact which led the MacDougall Committee to report that it would be possible to achieve within the European Community something like the present rate of inter-regional redistribution within countries by a careful stepping up of the Community budget from its 1977 level of 0.7 per cent of Community GDP to a level no more than 2.1 per cent. Moreover, most of this could, in theory, be achieved without an increase in total public expenditure, but by a shift of funds of existing expenditures to a Community level. The Committee calls this level of integration pre-federal. "Non-federal" might be a less provocative label.

It is this last fact which led the MacDougall Committee to report that it would be possible to achieve within the European Community something like the present rate of inter-regional redistribution within countries by a careful stepping up of the Community budget from its 1977 level of 0.7 per cent of Community GDP to a level no more than 2.1 per cent. Moreover, most of this could, in theory, be achieved without an increase in total public expenditure, but by a shift of funds of existing expenditures to a Community level. The Committee calls this level of integration pre-federal. "Non-federal" might be a less provocative label.

REGIONAL BALANCES (as percentage of gross regional product)		
	Public finance outflow (-) or inflow (+)	Balance of payments current account surplus (+) or deficit (-)
Relatively poor regions or states		
Germany (average 1968-70):		
Niederrhein	+ 3.4	- 4.5
Schleswig-Holstein	- 4.0	- 9.8
Saarland	+ 2.0	- 13.4
France (1972):		
Bretagne	+ 11.0	- 15.0
UK (1964):		
Wales	+ 7.8	- 12.1
Scotland	+ 6.1	- 7.8
N. Ireland	- 16.1	- 21.7
Italy (average 1971-73):		
Abruzzo	- 14.8	- 14.8
Basilicata	- 28.0	- 42.3
Relatively rich regions or states		
Germany (average 1968-70):		
Rhein-Württemberg	- 5.9	- 7.9
Nordrhein-Westfalen	- 4.5	- 5.2
Hessen	- 2.9	- 3.2
UK (1964):		
South East	- 4.8	- 2.4
West Midlands	- 2.9	- 3.2
Italy (average 1971-73):		
Piemonte	- 7.4	- 10.9
Lombardia	- 11.1	- 7.8
Liguria	- 4.4	- 12.4

\* Difference between federal or central expenditures and revenues allocated to the region.

† Difference between regional product and domestic expenditures. Source: MacDougall report.

The proposed expanded budget would have to be designed with a deliberately high-powered redistributive effect. The Community budget would, for instance, be provided for urban development and for existing national regional employment and investment subsidies, as well as for vocational training and other labour-market measures.

Another important element, not easily translated into bud-

Report is also echoed in some of the ideas for the future finance of the budget put forward by Mr. Christopher Tugendhat, the EEC Commissioner for the Budget. But it is also clear that present proposals are on nothing like that scale, or high powered enough in their redistributive effects to establish the automatic equalisation envisaged by the Committee.

Within each state the willingness of citizens to make inter-regional transfers depends on a sense of national solidarity. But there is nothing comparable at the Community level? There is a good deal of Community solidarity in Germany and her smaller neighbours, some in Italy, less in France and least of all in Britain. Overall, voters and politicians in the richer areas would have to be persuaded that there were tangible benefits from closer economic union—whether materially or in, say, a more effective defence capability—to make the transfers worthwhile.

Such resource transfers would be necessary as part of a full economic union which would have to have a large political content. But are they really the key to a monetary union or even to less ambitious schemes for "fixed exchange rates" in Europe? It is here that different issues are often confused.

How far do the differing balance-of-payments and currency experiences of the countries of the European Community reflect differences in real factors such as crop failures, regional poverty or structural shifts of industry and how far do they simply reflect monetary divergence? It is on this that the importance of otherwise of budgetary

matters for monetary union depends.

While it might be plausible to attribute the modest payments imbalances and exchange-rate changes of the 1950s and early to middle 1960s in part to real disturbances the much greater imbalances of recent years are mainly monetary in origin. Of course, the 1974-77 oil-price explosion was a genuine real disturbance; but it was common to all countries in the European Community, not a particular blow to one or two, which could have been cushioned by a "high powered Community budget."

Desirable though income transfers may be, either for their own sake or as an inducement to the removal of the non-tariff barriers still separating members, it is highly doubtful whether they are technically necessary to establish a monetary union in the sense of fixed or even rigid exchange rates. The MacDougall Report may have given a misleading emphasis to the fact that public finance outflows or inflows roughly offset "balance-of-payments" current-account surpluses or deficits within each country.

As a matter of accountancy, the overall balance of payments has to balance; and it is highly likely that without the public finance inflows into Basilicata or Brittany these regions would not have these very large current-account deficits. One is the mirror image of the other. Balance of payments problems in real factors such as crop failures, regional poverty or structural shifts of industry and how far do they simply reflect monetary divergence? It is on this that the importance of otherwise of budgetary

rate movements. They have little to do with riches or

poverty. The wealthy U.S. has had payments problems since the late 1950s while Salazar's Portugal had a strong balance of payments position.

A simple illustration will show how wrong it can be to see balance of payments or currency problems in terms of real transfers between regions. Wales receives a net inflow through UK public finances of about 9 per cent of the Welsh gross regional product. If an independent Welsh pound were established, but the Principality remained within a loosely bound U.K. it might be reasonable to continue these transfers. But let us suppose the Welsh then inflate their currency, but are not prepared to devalue the Welsh pound sufficiently, and their deficit with the UK doubled: would it then be reasonable to double the fiscal transfer to 16 per cent?

The wider European ideal of economic union comprises both a fiscal and a monetary side. But it is untrue to suppose that a monetary union, still less an exchange rate link, requires fiscal transfers. To put the matter the other way round: fiscal transfers cannot be expected to underpin a monetary scheme which is unworkable or objectionable on its own terms. Mr. Healey's original desire to keep the two questions distinct was a sound one. It is a pity that British attitudes have moved towards a confusion of largely separate issues, and it is doubtful whether such confusion will advance British interests in the political horse-trading likely in the weeks and months ahead.

Samuel Brittan

\*Report of the Study Group on the Role of Public Finance in European Integration, Commission of the European Communities, Brussels, 1977.

## Letters to the Editor

## Industrial oblivion

From Mr. G. Inna

Sir—In his column of November 17 Lombard very nearly put his finger on the weak link in British industrial relations. He pointed to the scientific and commercial exploitation of the results of scientific research. He quite correctly identifies the "engineers" (just as diverse a group as the "scientists") as essential to the process of putting scientific discoveries to practical use. He notes in his final paragraph that successful West German companies have engineers in top positions but he failed to look at the top men in British companies. Perhaps he was running out of column inches!

In West Germany the law requires that some of the top positions in German industrial companies should be held by qualified engineers. Compare the situation with many UK industrial companies. You will find on the board a lord—or a knight at least, a few public schoolboys, claps with arts degrees from top Universities, various relations and other family hangers-on and the rest will be mainly accountants. As Lombard points out, an engineer is an inferior being, a coarse fellow with dirty hands and not fit to mix with the board of directors.

Of course, decisions on company policy, where to allocate funds and the industrial strategy are the prerogative of the board. Considering the general composition of such British boards it is not surprising that they often fail to appreciate the significance of many scientific discoveries and the necessary engineering development. The more technically oriented company leadership in West Germany and North America is quick to grasp the significance of scientific discoveries made in this country and get cracking on development while our highly paid top bookkeepers are still wondering what it does or how it works.

We do have some very successful companies I'm glad to say, and it is instructive to examine the composition of their boards of directors.

What I would like to see is a genuine team with a proper spread of skills and relevant experience in our company boards. I fear, alas, the only way the situation can be changed is by legislation, perhaps the West German model. Now our Government have in mind to appoint quasi-politicians to our boards of directors—a further step towards industrial oblivion.

G. S. Inna,  
Forge Cottage, The Street,  
Willesborough, Ashford, Kent.

## VAT and works of art

From Lord McCloskey

Sir—In your issue of November 24, under the heading "Indifferent to culture," Mr. Hugh Leggett pronounces me guilty by association with an allegedly Philistine Treasury, and all because I said, in a House of Lords debate, that it is possible to exaggerate the effect of VAT as a tax incentive to export works of art.

But Mr. Leggett does me an injustice. I said in very specific terms that the Government would be unlikely to tax art which would encourage "this regrettable tendency" to export works of art from the U.K. I merely drew attention to other relevant circumstances so that the alleged tax incentive to export could be seen in context.

What I said was "Value added tax is a tax on domestic consumption, and it is a normal feature of this type of tax

that it does not fall on goods sent out of the country, it therefore falls on the collector, such a supply from tax and to allow recovery of tax paid at the time of purchase or importation. This relief provides no incentive to a dealer to sell a work of art to an overseas collector. Where the dealer receives from such sale the same as if he had sold to a UK customer. Of course, he has to charge tax to the UK purchaser, and therefore at first sight the purchaser in the UK seems to have to pay more, but it is usual to find that the purchaser abroad has to pay value added tax on importation of the goods, and in any event he usually has to pay higher transport and higher insurance costs. So, while not suggesting that the point has no validity, I think that there is danger that it may be exaggerated."

I still believe that that is fair and accurate; it certainly does not display a "profound indifference to cultural affairs" as Mr. Leggett suggests.

Lord McCloskey,  
House of Lords, SW1.

## Added value payments

From Mr. E. Fox

Sir—I would like to nominate N. L. Cragoe's letter (November 22) on added value payments for the most urgent letter of the week award.

He condescends to admit that the operator (chap or typist) is the best person to sort out a problem, but when it comes to knowing about or helping to determine the background—industrial democracy etc.—this is "elapsing."

Why is it that the people who actually produce the wealth which pays all our wages/salaries/dividends, are the ones whom everyone else wants to control, and screw down?

Does Mr. Cragoe suggest that shareholders, stock jockeys, lecturers in management and business studies etc., etc. be paid according to some added value calculated by a group on which they were not represented?

With forelock firmly in hand,  
I remain,  
Eric Fox,  
Upwood Road, Hillsborough,  
Sheffield.

## The rate for PR

From Mr. P. Brown

Sir—We would not disagree with Mr. Ley's statements (November 26) that the going rate for experienced public relations executives is in the range 16,000-27,500, depending to some extent on geographic locations.

The full title of the group quoted by Michael Dixon in his recent review of Reward findings was public relations and information officers and managers. It therefore includes a fair number of candidates who are not experienced in PR or who are not managers in that profession. The information area in both public and private organisations is normally less well paid than professional PR and there are a fair number of slightly older officers in information units, whose salaries are below those shown as the Reward average.

In addition, Michael Dixon did mention that Reward figures might be adjusted by percentage overlays for different types of employer. This adjustment would bring the median salary for a PR and information Executive officer working for a large employer, to around 25,000. As Reward is used to plot

remuneration trends for staff in different disciplines and not a more interesting comparison would be whether Mr. Ley's survey of National Union of Journalists members in PR shows, approximately the same percentage increase in the 12 months to September as our own figure of 10.6 per cent.

Peter M. Brown,  
Synergy Publishing,  
Mill Street, Stone, Staffordshire.

## Monetary system

From the Chairman,  
London Europe Society

Sir—There is something very unconvincing about the arguments of the Government's Green Paper on the European monetary system (EMS). The Government admits that the downward float of the pound has been inflationary and that it has not produced the hoped-for export-led recovery of production. Yet it appears to be preparing to turn down, for technical reasons, the best system the Nation produce for current stabilisation.

Since 1975, when the pound started its latest period of major

## Exchange control restrictions

From Mr. R. Cohn

Sir—Your front page article of November 22, headed "Sterling support package to lapse" pointed out that the financial support package arranged by Britain during the sterling crisis of late 1976 has had the last rites pronounced on it by the Treasury. No mention or move seems to have been made by the Treasury in respect of the controversial directive under ECU Exchange Control Act 1947 which restricts the activities of UK based merchants buying and selling goods outside the UK.

The ruling is applicable to those who are not given special exchange control status such as cocoa and metal traders who have been given very wide exemptions under special Bank of England schemes. Other companies trading in various products in the face of enormous international competition are being penalised because the Treasury sought to stabilise the pound in 1976 and to bring back to the foreign exchange reserves some £1bn which were being used to finance trade outside the UK.

The benefits of this move have now been reflected in the UK balance of payments reserve; the rules however still stand virtually completely unaltered and no move is being undertaken to change or relax the rules in any way. Some of the problems UK merchants are facing are as follows:

Companies incorporated and having their working capital in the UK in sterling find themselves in a position of having surplus sterling funds and currency overdrafts forced upon them. Under the rules UK resident companies are forced to borrow currencies to finance merchandising operations even though sterling balances may be available. With large fluctuations of interest rates the main beneficiaries are the banks who are obtaining a turn on the interest funds themselves in a position of lending sterling at disadvantageous rates relative to the current borrowings.

Where a merchant is required to quote to a country or organisation in sterling he finds himself in a position, in many cases, of having to bear an exchange risk. In particular, R. P. H. Cohn,  
Hardy House,  
114-120 Goswell Road, EC1

decline. Its fall in value against other currencies has been about 18 per cent. Over the same period, although exports (volume index) increased by 31 per cent, industrial production actually fell by about 1 per cent. Our production has risen less than that of any European Community country except Luxembourg, whose performance is distorted by the predominance of the crisis-hit steel industry in its industrial economy. Britain and Luxembourg are the only countries of the Nine whose industrial production is still lower than it was before the 1973 oil crisis.

The comparison with Germany, whose currency appreciated over the same period by some 24 per cent (that is by over 40 per cent against the pound) is striking. Exports rose by 23 per cent, despite the upward push given to German export prices by the rising D-mark. Unemployment, ranging around the 4 per cent mark, has been much lower than in Britain. And, in absolute terms, West Germany has been investing more than twice as much as the UK in its industrial future.

The appreciation of the D-mark pushed the Germans into investment in rationalisation of production in order to keep their goods competitive. Thus the effect of

devaluation has been the opposite of what was expected: we have become even less productive in international relative terms, and the Germans have become even more productive.

Yet now, when we have the chance of holding the pound steady, backed by a very substantial stabilisation fund of 28bn European units of account (£17bn), we are apparently about to decide that we want to stay out of the effective part of EMS—exchange-rate stabilisation—and retain the right to start the pound on its downward path again.

Why should we want to turn down the best available disciplinary framework for containing our short-term profligacy, ridding the long-term inflation rate, and producing a sustainable expansion in the economy? Because we believe (rightly) that convergence of the Nine's economic policies is necessary? The last four years have been ample evidence that that will never occur without the restoration of exchange-rate discipline. One is left with the nagging suspicion that the rejection is to please the extreme left and the Labour Party's congenial anti-European, with a view to the coming General Election.

The downward float has failed in its long-term objectives. If we now turn down the chance of durable recovery through currency stability, people in other countries may enter another period of doubt about our national economy, our national currency, and our national judgment.

Derek Prag,  
37, Longdon Avenue, SE2.

## Looking after the customer

From the Secretary,  
British Insurance Brokers' Association

Sir—We are indebted to Eric Short for drawing attention to our appointment of a consumer relations officer (Money Monitor, November 28). We are glad we should provide the doubts Mr. Short expresses about the role Mr. Hall will play.

Over the past months British insurance brokers have voluntarily become subject to statutory control, have published a stringent code of conduct and have laid down disciplinary procedures to be invoked if needed.

As a result of this action by the responsible members of the industry members of the public are increasingly using British Insurance Brokers' Association membership as a criterion for choosing an insurance broker and are turning to the association for advice and information. Mr. Hall's appointment is one of a series of steps taken by RIBA to ensure that consumers are fully assisted when dealing with members. His main task is not, therefore, "to lean on slow paying insurance companies." He will provide help and information about problems or questions arise involving consumers and his work will extend to assisting Citizens' Advice Bureaux and various consumer bodies to resolve difficulties which may arise between consumers and insurance brokers. He will co-ordinate the extensive help to consumers given throughout the country.

As Mr. Short has said, Mr. Hall will not arbitrate in disputes over the amount of a claim, nor will he give a second opinion on whether a customer has entered into the right contract, for these are matters which can only be resolved between the parties to the contract.

A. A. Teale,  
Fountain House,  
130 Fenchurch Street.

## Today's Events

OFFICIAL STATISTICS

Energy Trend figures from Dept. of Energy.

PARLIAMENTARY BUSINESS

House of Commons: Merchant Shipping Bill, second reading.

House of Lords: Forestry Bill, committee stage. Order on referendum on Welsh devolution. Public Health Laboratory Service Bill, second reading. Short debate on increase in atmospheric carbon dioxide and apparent changes in global weather patterns.

SELECT COMMITTEE—Race Relations and Immigration. Subject: Effects of UK membership of EEC on race relations and immigration. Witnesses: Mr. David Lane and Commission for Racial Equality officials. 4 pm. Room 6.

COMPANY RESULTS

Final dividends: National and Commercial Banking Group.

Interim dividends: Racial Electronics, Scottish and Universal Investments, 600 Group Interim Dividend, British Petroleum (3rd quarter), Morgan Crucible (3rd quarter).

COMPANY MEETINGS

Courtenay Pope, Tottenham, 11.

Ductile Steels, Willehall, 3. Eels.

Prop. Inc., 15 Abchurch Lane, EC.

12.15. G. Universal Stores, 20 Aldermanbury, EC. 12. Hunt and Moscrop (Middleton), Manchester, 12. Raine Engineering Industries, Sheffield, 12.

GENERAL

President Carter holds news conference, Washington.

Chancellor Schmidt discusses European Monetary System with German Central Bank Council.

President Assad of Syria on official visit to Hungary (second of four days).

Post Office statement on success of Royal Mail parcels service.

Government launch scheme to provide homes and mortgage-linked loans for first-time house buyers.

Times newspapers last day of publication before management strike printing.

Christies wine sale, including Bordeaux rarities.

Mr. Richard Nixon, former U.S. President, speaks at Oxford Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.

Union.



# COMPANY NEWS

## Building materials sales push BPB to £17.7m

INCREASED DEMAND for its building materials in the UK and the Republic of Ireland helped lift taxable profits at BPB Industries for the half year to the end of September 1978, from £14.02m to £17.73m. However continuing severe competition from low price imports reduced sales of wood chipboard and trading losses were contained at about the same level as the first half of 1977/78.

### INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Armstrong & Rhodes	25	3	Jacksons Bourne End	25	4
Avon Rubber	24	6	Johnson Matthey	24	1
Bayer UK	25	1	Moorgate Mercantile	26	2
Bazaloni	25	2	Muirhead	24	1
BPB Inds.	24	1	Newman Tonks	25	1
Brickhouse Dudley	25	4	Ocean Wilsons	25	3
Daily Mail & Gen. Tst.	25	4	Routledge & Keegan Paul	25	1
Dawson Intl.	26	3	Standard Life	25	1
Elliott (B.)	24	4	Wallis Fashion Group	24	5
GR Hldgs.	25	2	Westbrick Products	26	1
Inchcape	24	5	Wheway Watson	26	1

Half-time external group sales were ahead from £138.74m to £146.36m with advances in all countries except in France. Here reduced demand, particularly in the first quarter and severe price control, pushed turnover on building materials lower from £31.23m to £27.0m leaving profit sharply down from £1.7m to £0.2m.

In the Netherlands paper and packaging losses were cut back to £274,000 (£118m) on sales £1m better at £5.99m.

Mr. F. G. Flood, the chairman, states: Last year's surplus reached a record £27.25m. Half-time external group sales were ahead from £138.74m to £146.36m with advances in all countries except in France. Here reduced demand, particularly in the first quarter and severe price control, pushed turnover on building materials lower from £31.23m to £27.0m leaving profit sharply down from £1.7m to £0.2m.

## Improved trend takes Johnson Matthey to £9.2m halftime

AFTER THE first quarter downturn Johnson Matthey, the gold, silver and platinum refiner, has turned in an improved pre-tax performance for the second three months. Profits for that period show a rise from £4.47m to £4.66m, leaving the total for the six months ended September 30, 1978 at £9.18m compared with £10.02m.

used the amount on the balance sheet would have been higher by £33.2m (£22.73m).

per cent rise in the second three months. Generally, this reflects a small improvement in world trading conditions, but it is still too early to assume this is a maintainable trend. The recovery in the second quarter is due mainly to some buoyancy in the chemicals and refining activities as well as banking, which has benefited from increase bullion trading on which the company earns a commission. Elsewhere, the mechanical production division and colours and transfers maintained their profit contribution after slipping in the first quarter. At 404p the shares yield a prospective 5 per cent on a maximum payout.

Involved sales in the half year (excluding Johnson Matthey Bankers) showed an increase from £190.45m to £232.04m. After allowing for tax and minorities and taking into account an exchange loss of £498,000 against £400,000, the balance attributable emerges at £3.89m compared with £4.33m.

The interim dividend is increased from 8.1106p to 8.6134p including 0.1134p (0.1106p) in respect of the reduction of ACT. A scrip issue of 3 for 2 is proposed. The total dividend for 1977-78 was 13.7289p paid from profits of £18.87m.

Johnson Matthey's profits down- turn of 19 per cent in the first quarter has been followed by a 4

precious metals stocks are valued at base price plus attrib. tax. If market prices had been

Profit and Loss Account—  
Tax before tax ..... 4,339  
Tax ..... 4,339  
Net profit ..... 4,660  
Minorities ..... 460  
Exchange loss ..... 498  
Deferred tax ..... 400  
Total ..... 4,660

NET ASSETS—  
Fixed assets ..... 27,487  
Intangible ..... 19,710  
Base stock ..... 21,128  
Net current assets ..... 42,325  
Total ..... 110,630

comment  
Johnson Matthey's profits down- turn of 19 per cent in the first quarter has been followed by a 4

precious metals stocks are valued at base price plus attrib. tax. If market prices had been

per cent rise in the second three months. Generally, this reflects a small improvement in world trading conditions, but it is still too early to assume this is a maintainable trend. The recovery in the second quarter is due mainly to some buoyancy in the chemicals and refining activities as well as banking, which has benefited from increase bullion trading on which the company earns a commission. Elsewhere, the mechanical production division and colours and transfers maintained their profit contribution after slipping in the first quarter. At 404p the shares yield a prospective 5 per cent on a maximum payout.

## Muirhead profit reaches £2.1m

FROM HIGHER sales of £31.17m in line with the company's forecast against £17.50m, profits before tax rose last December of substantially larger growth. While some of the improvement is attributable to cost savings, growth is being led by the group's data communications activities, which contribute about half of the group's sales. Here, the newspaper and graphics industries have provided strong demand for such products as the Pagefax and Wirephoto equipment systems. Wirephoto is confident that the sale of document facsimile equipment will provide for substantial growth over the next five years or so, and says it is having increasing success with its new range. With continuing steady demand on the military components side, the immediate future looks secure enough. It should be possible for Muirhead to at least repeat its 1978 growth rate in the current year. At 109p the shares stand on a p/e of 8.8 while the yield is just under 4 per cent.

comment  
After stripping out the six-month contribution from Hone, the new acquisition, Muirhead's full-year profits show a rise of around a quarter, which is much

ON HIGHER external turnover of £43.7m compared with £29.75m, pre-tax profits of B. Elliott and Co. surged from £2.02m to £3.74m over the six months to September 30, 1978.

Earnings per 25p share are given at 17.34p (10.31p) and the net interim dividend is lifted from 2.5p to 2.75p. Last year's total payment was 5.325p from profits of £3.6m.

First half profit was struck after depreciation of £363,000 (£446,000) and interest of £197,000 (£174,000). Tax for the period took £1.12m (£0.81m) and there were minorities of £102,000 (£57,000).

The directors say that during the period under review, total orders booked by the group matched the increased turnover but there has been a small decline in the outstanding order books of some of the UK companies, and they do not expect the major increase in home demand in the winter months that has been experienced in the previous year.

However, the outlook for the second half, for the group as a whole, is quite encouraging. The directors expect the improvement in performance by the overseas companies to be maintained and at home the main production resources other than the foundry are well loaded. The machine tool factories have obtained substantial overseas contracts and order prospects, in the U.S. in particular, are bright.

comment  
B. Elliott's 88 per cent profits growth surprised the market not least because it comes in the traditionally quieter first half. Alfred Herbert may have given the current year a boost by the growth tax but specialists like Elliott have often been doing well. The basis of this result was laid in the previous six months when orders poured in to the machine tool manufacturing and

merchandising divisions. Newall, last year's enterprising acquisition, seems a good buy and thanks to the tightening of safety standards in the automotive industry, prospects look particularly bright in the U.S. At the moment engineering profits are less impressive while the £2m foundry investment increased capacity just when demand was dropping away. Nevertheless, the company is confident that longer term returns will justify the spending. Meanwhile GIC, the troubled and previously much more important South African subsidiary, has recovered some ground and the improving trend should boost the full year overseas contribution. Overall, profits now reach £3m-£3.5m which puts the shares at 107p on a fully stated prospective p/e of around 6 and a yield of 5.3 per cent.

## Wallis Fashion well ahead

EXCLUDING VAT, turnover of the Wallis Fashion Group increased from £8.44m to £9.88m in the 28 weeks ended August 12, 1978. Pre-tax profits surged from £33,100 to £35,800.

Since the half year the trading situation has been less favourable due to unseasonable weather, the directors say. Nevertheless, they still expect the current year's profit to show a significant increase over the £10m previously.

The interim dividend is effectively raised from 0.35p to 1p and takes into account the intention to pay a higher proportion of the total dividend as an interim. Last year's final was equal to 0.75p. Dividends amounting to £27,200 (£7,000) have been waived.

## HERON MOTOR

The directors of Heron Motor Group have decided to exercise the right of compulsory conversion of the remaining £350,310 10 per cent convertible unsecured loan stock 1983-90.

Other interests of the group include metal trading and refining, insurance and shipping and employee benefit consultancy.

comment  
The interim report from Mercury Securities, one of the City's leading merchant banking and financial services groups, stretches to just a single sentence. At least profits are higher after six months, in contrast to the falls reported by several other major accepting houses. But it could well be that a major factor is the recovery by the metal dealing subsidiary Brandeis Goldschmidt, where profits slumped last time.

On the banking side, lending activity has been sluggish, while there has been no opportunity to repeat the ill-fated gains of 1977—and the result of the Paribas associate have been unexciting. But corporate finance business was probably quite strong during this period, and the foreign exchange side should also have been busy. Moreover, the stock market was trading at reasonably high levels, which will have helped earnings from investment management, and the Matthews Wrenshaw associate has reported sharply higher half-time profits. Overall, this varied mix has allowed Mercury to come out on the right side so far, but there is nothing to add much entitlement to a share price of 111p. Assuming a 10 per cent dividend rise the prospective yield is 5.6 per cent.

Inchcape shares slumped 28p to a new low for the year of 303p. This follows the

Do you need current information on Limited Companies, including Balance Sheets, prepared in 5 days at a cost of only £3.50?

You need a

sitrep

For more information, write 'Sitrep' on your stationery card and send it to: E.C.S. Company (UK), Shaw House, 27 West Way, Boreley, Oxford.

INCHEAPE shares slumped 28p to a new low for the year of 303p. This follows the

Do you need current information on Limited Companies, including Balance Sheets, prepared in 5 days at a cost of only £3.50?

You need a

sitrep

For more information, write 'Sitrep' on your stationery card and send it to: E.C.S. Company (UK), Shaw House, 27 West Way, Boreley, Oxford.



Mr. Ernest T. Harrison, chairman and managing director of the Royal Electronics Group, seen with the company's new Airstream anti-dust helmet. Royal is one of the leaders in radio and data communications and is rapidly establishing an international reputation in the fast growing industrial safety field. The Airstream helmet which provides head and lung protection in one unit has passed stringent health and safety regulations throughout Europe, Scandinavia and the U.S. It is being sold in over 20 countries and new production facilities are being opened in Wembley and in the U.S. The helmet is used in industries ranging from steel to farming and versions for welding and coal mining are currently under development.

## Avon Rubber hit by severe tyre competition & industrial unrest

SEVERE COMPETITION arising from over-manufacturing and cheap imports of tyres plus industrial unrest in the domestic automotive industry cut pre-tax profit of Avon Rubber Company the tyre and industrial products group from a record £2,416,833 to £413,388 for the year to September 30, 1978. Turnover was higher but the import of about 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales are steel belted radials. Nevertheless its margins were still hit, falling from 4.2 per cent to 2.3 per cent. During the year Avon pulled out of the retread business, and closed its Bridgend factory. As a result there was a £55,000 loss from the operations compared with a £54,000 profit a year ago. The industrial rubber products brought about by longer life radial tyres and the import of 40 cheap tyres, particularly from Eastern Europe, has been putting pressure on industry margins for some time. Avon has, to some extent, been insulated from the general malaise because its products are mainly up-market (on Rolls, Bentleys and Aston Martins), in the tyre replacement market 50 per cent of its sales



# Sharp rise in business at Standard Life

BY ERIC SHORT

A successful year this year for life and pensions business in the UK is heralded by the results published yesterday by the UK's largest annual life company, the Edinburgh-based Standard Life Assurance Co. This life company, in contrast to most other life companies, closes its books on November 13 and for the year just ended reports a substantial increase in both its life and its pension business.

New annual premiums for ordinary life business in the UK advanced by 12 per cent over the 12 months to November 13, 1978 amounting to £19.4m, while new single premiums were 42 per cent higher at £2.1m.

The most successful markets in this sector of business were individual pensions for directors and executives, self-employed pensions and contracts connected with house purchase. Annual premiums on the company's Standard Plan A for executives totalled £2.5m compared with £1.4m in the previous year—a rise of 14 per cent. Single premiums under this contract nearly doubled to £1.1m.

Annual premiums on personal pension policies for the self-employed rose by 162 per cent from £0.9m to £2.4m, while single premiums were one quarter higher at £2.1m.

These results confirm reports that the executive pension and the self-employed pension markets have been this year's best sellers for the UK life insurance industry.

Sales of life policies were also buoyant during the year, in contrast to the previous year when they were comparatively dull.

Annual premiums on contracts used to repay off house purchase mortgages, were 43 per cent higher. The savings market not connected with house purchase also showed a considerable advance on the previous year. Annual premiums on the company's two main savings contracts, the Early Maturity Option and the Gemini policy, were 16 per cent higher than last year.

These results reflect a more active house purchase market and a higher level of personal savings arising from an improvement in the overall earnings of the community.

Life companies would appear to have benefited from the start in April of the new Stamp Duty scheme. This gave employers the option to opt out of the earnings-related part of the scheme and instead benefit from a company's Standard Life plan. Life indicated that, as anticipated, many employers took advantage of this option. More than 300 new company schemes were introduced during the year covering over 25,000 employees with a total annual premium income in excess of £10m.

Of overall, new annual premium income (including managed funds) for group life and pension business improved by 26 per cent from £11.1m to £14.2m.

Business was also good in the

Republic of Ireland with new annual premiums on ordinary life business 30 per cent higher while group business showed a 21 per cent rise. Single premiums showed a 10 per cent increase.

New business in Canada, in contrast, was slightly lower than in the previous year. It was very slow over the first part of the year, but individual life business has been growing quite strongly since July when the Standard Life announced the transfer of its Canadian business to Manufacturers Life. Last week, it announced that it was not proceeding with this transfer and would be staying in Canada.

## Increase for Ocean Wilsons

ON TAKEOVER from £17.1m to £20.3m Ocean Wilsons (Holdings) pushed up pre-tax profits from £1.5m to £1.7m in the half year to July 31, 1978.

The interim dividend is maintained at 10 pence per share. The company's pre-tax profit of £1.7m, which included £37,000 share of loss of associated companies, was up from £1.5m in the half year to July 31, 1977.

Profit retained is up from £1.2m to £1.5m.

## Brickhouse Dudley advances at midway

AN ADVANCE in pre-tax profits from £10m to £11.1m on turnover from £10m to £12.2m is reported by Brickhouse Dudley for the six months to December 30, 1978.

Earnings per share are up from 1.1p to 1.2p and the interim dividend is raised from 0.5p to 0.6p.

The company is a wholly owned subsidiary of the Barlow Rand Group.

Mr. Michael Huxtable, chairman, states that the interim results have exceeded original expectations and the board is confident that the future for the full year will be good.

Mr. Huxtable said that the company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

## Slight rise for Daily Mail Trust

THE DAILY MAIL Trust went up from £10.5m to £10.6m in the half year to September 30, 1978.

The interim dividend is raised from 1.1p to 1.2p.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

## Transvaal Consolidated Land and Exploration Company Limited

(Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

FROM THE STATEMENT BY THE CHAIRMAN MR. A. C. PETERSON

The financial results of the T.C.L. group have shown a healthy increase compared with the 1977 results.

The consolidated profit before taxation rose by 15.4 per cent and, after deducting taxation and the interests of the outside shareholders, by 18.2 per cent.

Largely as a result of the strong upward movement in the price received for gold, the dividends from the gold and uranium investments improved in the year.

These dividends, which were also enhanced following an increase in the company's holding of shares in Blyvooruitzicht Gold Mining Company, Limited, the coal subsidiary, experienced a slight lower level of sales on the inland market but their export sales improved to the extent that their increased profit contribution to T.C.L. was much higher than anticipated.

This benefit the major contributor to the overall increased profit of the group.

The past year was notable for the completion of the bulk of the work, and the production of the first coal, at the Rietfontein open-pit mine and also for the excellent progress at the Trust's coal mine.

The chrome mine subsidiaries completed much of the expansion programme that was commenced last year. However, sales remained depressed and recovery is viewed as a medium to long range prospect.

Investment realisation during the year produced a higher than usual profit as the result of a decision to sell shares to provide funds for expansion in other areas.

The company's main gold and uranium investment is in Harmony Gold Mining Company Limited in which our interest is 17.3 per cent. During the year T.C.L.'s interest in the other gold and uranium producer in the Barlow Rand Group—Blyvooruitzicht Gold Mining Company, Limited—increased and is now 4.2 per cent.

Uranium

While there are at present very real problems confronting the nuclear power industry, the outlook for uranium is still considered to be sound. In the long term, the world's energy requirements can only be satisfied economically acceptable by the use of nuclear power generation.

I believe that nuclear power plants will be among the cleanest sources of energy and that the anti-nuclear attitude of realistic environmentalists will become more accommodating. However, the uranium industry, especially in the United States, is in a very difficult position. It is being squeezed by the growth of nuclear power which will be resolved by the countries participating in the International Nuclear Fuel Cycle Evaluation. The decision taken by the Australian Government to allow uranium production in their country to be increased, as the Canadian Government's relaxation on the embargo on uranium exports, have contributed to a softening of the market and prices have tended to stagnate over the past year.

In spite of these rather complex developments, I believe that the uranium industry, as a whole, has improved its position during the year and is now operating at full capacity. Harmony has successfully negotiated a contract for the sale of uranium from the new plant to be erected at Merriespruit. This contract includes an interest-free loan of R33 million to be repaid by the purchase of the uranium, which will be used to fund the expenditure incurred in establishing the new uranium plant.

Platinum

With a better balance between supply and demand in the market for platinum, the free market price together with the published producer prices for this metal have improved strongly during the year. In consequence, Rustenburg Platinum Mines Limited has been able to resume dividend payments with an 8 cents per share dividend declared on 2nd October, 1978.

In conformity with our normal accounting policies the dividend, having been declared after T.C.L.'s year end, will be brought to account in the 1979 financial year.

Chrome

At foreshadowed last year the demand for chrome on both the local and export markets has not increased at the rate anticipated when mine and ferrochrome plant capacities were expanded and there has consequently been a softening in prices. Although prices by the T.C.L. group chrome mines increased in volume, profit margins came under severe pressure and resulted in lower profits for the year. The outlook for 1978-79 is not good. Slack demand and general overproduction will tend to keep prices low during this period and the contribution to the group from this source will be limited. The group is well placed to take advantage of any expansion in the market for South African chrome which must, I think, develop because the world's largest chrome reserves are situated in this country and because in due course increasing demand will come from the major chrome alloy plants in the Transvaal.

The capital expenditure programmes planned for all three of our chrome mines are nearing completion. They will provide each mine with the flexibility needed to support long-term sales relationships with local and overseas customers.

Forestry and timber

Lotzba Forests Limited, in which T.C.L. has a 61 per cent interest, continued with the policy of replacing non-afforestation land by land suitable for afforestation in the Eastern Transvaal. The company enlarged its forestry area during the year and it derived a moderate increase in profit from its sawmilling operations.

The eighty-third Annual General Meeting of Transvaal Consolidated Land and Exploration Company, Limited will be held in Johannesburg on January 1979. Copies of the Annual Financial Statements can be obtained from the Office of the London Secretaries, Charter Consolidated Limited, 40 Holborn Viaduct, EC1P 1AF and the Share Transfer Office of the London Secretaries at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

## Exploration and development

During the year our exploration activities, while mainly centred in the Transvaal, included prospects in South West Africa, the Orange Free State and the Cape Province.

Potentially valuable deposits of chrome are principally in the Western Transvaal. Although proven, but exploitation of these deposits will have to wait until the supply/demand position justifies such action.

The tin exploration programme on company farms in the Potgietersrus area is now almost complete. Unfortunately this programme failed to disclose any really significant ore bodies though some limited tonnages of low grade ore were indicated.

A high proportion of the exploration effort was allocated to the search for additional coal deposits. Options were acquired over fairly extensive blocks of ground which are now being systematically examined. On an in situ basis our proved reserves, and potential additional reserves, now amount to some 3,500 million tons and 4,500 million tons respectively.

A recent review of the Transvaal market indicates that the demand is still considerably less than the installed supply capacity. In view of this situation, the exploitation of the Transvaal coal reserves on the company's farms in the Western Transvaal must continue to be delayed.

Listed investments

After taking into account the acquisition of a further holding of Blyvooruitzicht shares, the disposal of a percentage of Rustenburg Platinum shares, and several other adjustments to give better balance to the portfolio, the market value of the group's listed investments other than investments in listed subsidiaries rose from R47,450,000 at 30th September, 1977, to R55,650,000 at 30th September, 1978.

If the tin exploration programme on company farms in the Potgietersrus area is now almost complete, the value of the group's listed investments rose from R19 million to R182 million.

Finance

With Rietfontein commencing continuous production in January, 1979, and the first coal deliveries to ESCOM from Durban taking place towards the end of the year, the cash flow of T.C.L. from these sources should become positive from about October, 1979, onwards. T.C.L. faces a peak borrowing requirement during the coming months for which purpose we have arranged a short-term bridging facility to cover any shortfall in loan requirements has been arranged with Barlow Rand Limited with availability during 1979.

Employment conditions

1978 has been a peaceful year in the labour relations field with much activity in the development of liaison committees on group mines. Major programmes in this field are under way on both gold and coal mines. Housing, medical and welfare schemes, particularly for black employees, continue at an accelerating rate with old houses on older mines being renovated and new villages of modern houses being established on or near newer mines.

Occupation of the new hostels on Harmony and Blyvooruitzicht gold mines is complete. These hostels provide advanced living and recreational facilities which offer a much improved quality of life.

I refer earlier to the Barlow Rand Group Code of Employment Practice (to which the managements of all group companies are committed). It will perhaps be of interest to shareholders to know that the Code applies equally to all race groups, and that our managements

assist employees to develop their skills and ensure that they use these skills to the full, thus ensuring their job satisfaction and ability to contribute to the group's aims;

to develop and maintain open lines of communication and personal contact; to promote and preserve at all times the dignity and self-esteem of employees; and

to improve the quality of life of employees both in working and home conditions.

It is recognized that there are limiting factors which can inhibit our companies from fully achieving some of these commitments. The group must operate within the law and equally within the moral and ethical constraints of the community. It nevertheless pledges itself to work for changes in any laws or attitudes that result in discrimination against any employees in the work situation or prevent the achievement of the objectives set out above.

Any shareholder who is interested in this Group Code of Employment Practice may obtain a copy from the secretaries here or in London.

Dividends and future prospects

The interim dividend declared in May, 1978, was 35 cents per share and the final dividend for the year, at 75 cents per share, was declared on 26th October, 1978, making a total of 110 cents per share for the financial year. For the year ahead the coal earnings of the group before tax and interest should increase considerably with the commencement of production at Rietfontein. Dividends from gold and platinum investments should also improve but, as I mentioned earlier, the contribution from the chrome mines will be limited. Interest payable on borrowings utilised for the capital works at Rietfontein and on the chrome mines will no longer be capitalised but will be charged to profits. In addition, amortisation charges on these assets will commence. For 1979 the sum of these amounts will be substantial and will probably result in the net profit of the group after tax, amortisation and interest being fairly close to that for 1978. However, rapid repayment of the loans will be planned and increasing benefits from the additional earnings from both Rietfontein and Durban open-pit mines can be expected thereafter. In the absence of unforeseen circumstances I consider that in 1979 the dividend growth can be expected to continue.

## Routledge ahead to £206,006

PRE-TAX profits of Routledge and Kegan Paul, publishers, rose from £182,000 to £206,006 in the half year to September 30, 1978.

The interim dividend is raised from 2.5p to 2.6p. Last year's total dividend was 4.05p on pre-tax profits of £261,000. Stated earnings per 25p share are up from 7.6p to 8.4p.

Turnover for the six months was £1.87m, against £1.82m and tax takes £107,000 (£95,000).

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

## G R liquidity improvement

Liquidity of G. R. (Holdings) has improved further and enables the company to take advantage of expansion opportunities in existing companies and to take advantage of favourable openings for fresh investments. Mr. A. D. Hughes, the chairman, says:

However, once again, he does not feel justified in forecasting future trading results.

The dressing and dyeing activities of the group are not in good shape, and retail sales in London have been disappointing.

On the other hand the fur merchandising division remains active and the needed strengthening of the group's liquidity results provided it can continue to meet the competition in export markets from foreign companies which receive special incentives.

Pre-tax profits for the year ended June 30, 1978, were £2,471,000, against £2,247,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

The group's turnover for the year ended June 30, 1978, was £10,000,000, against £9,000,000 in the year ended June 30, 1977.

## Armitage and Rhodes well up at halfway

Despite the difficult conditions in the furniture trade, Armitage and Rhodes, furniture makers, have achieved a 10 per cent increase in turnover for the half year ended September 30, 1978.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

## Jacksons Bourne End first half rise

Profits of Jacksons Bourne End improved from £24,000 to £28,000 in the 26 weeks ended October 14, 1978 before tax of £45,000 against £28,000 turnover was £2,325,000 against £2,235,000.

Earnings per share before extraordinary items are shown at 3.5p (2.4p). Again no interim dividend is declared but the Board will consider a dividend for the year when final results are available.

A single 2p final paid last year from pre-tax profits of £157,000.

Extraordinary debits in the half-year amounted to £2,300 (£25,000) being the cost of rationalisation of Board production less tax relief. In the previous half-year, there was a £2,500 surplus on the sale of property.

For most of the half-year, trading conditions in the main operation were good. The shoe components company, in particular, produced good results.

Activity in the manufacture of products for the minor vehicle industry well continued up to the time of the Ford strike which seriously affected demand for several weeks, covering the end of the half year and opening period of the half-year.

This resulted in short-term working in the converting division, which includes the hoard manufacturing operations. The extent to which final results will be affected depends on the timing and the level of resumed demand.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that the future for the full year will be good.

## Better trend at Bromsgrove Casting

For the half year to September 30, 1978, pre-tax profits of Bromsgrove Casting and Machining rose from a depressed £19,247 to £30,461, on turnover of £1,024m against £1,024m.

When reporting on a £167,000 taxable surplus for all 1977-78, the directors said the current year should be a very profitable one, although profit for the year would be the cost of removal of the Bromsgrove plant and workforce.

The half-yearly tax charge takes £35,000 (nil) leaving net profit higher at £1,403 against £19,247. The net interim dividend is raised from 1.1p to 1.2p.

The company's performance was very good and that the board was confident that the future for the full year will be good.

The company's performance was very good and that the board was confident that



# Westbrick leaps 74% mid-year

WITH THE reorganisation begun in October, last year now completed, sales of Westbrick Products rose 31 per cent to \$6.4m and reflecting improved margins, pre-tax profits jumped 74 per cent from \$135,000 to \$244,000 for the six months to September 30, 1978.

Mr. J. W. Sutherland, the chairman, comments that the results are in line with budget, while the performance has continued and is expected to be maintained throughout the rest of the year.

For all the previous year, taxable profits were \$331,000, with a peak \$316,000 in 1977-78.

The interim dividend is hoisted from 0.5p to 1.25p net, from half-yearly earnings of 4.5p (12p loss) per 25p share and is covered 3.6 times—last year's final was 1p.

The cash outflow in the previous year has been sharply reversed and the company is now financing its current expansion out of cash generated within the group, the chairman adds.

At the attributable level, there was a turnover of \$51,000, losses of \$183,000, struck after tax of \$161,000 (\$12,000) and exceptional and extraordinary losses last time of \$63,000 and \$54,000 respectively.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are intended or the sub-divisions shown below are based mainly on last year's timetable.

**TODAY**  
Isleworth—C.R. Industrial, Crosby Springs Interiors, Cullen's Stores, Giltspur, Harrods Group, Howard Trevelyan Services, Marling Industries, Robert Moss, Boral Electronics, Sangers, Scottish and Universal Investments, 800 Group, Transworld, UKO International, Whitbread Investment.  
Monday—Medina (Transval), Development, National and Commercial Bankings, Tomkins Carpets.

**FUTURE DATES**  
Tuesday—Bankers' Investment Trust, Dec. 5; Bishop's Stores, Dec. 5; Bureau and Hallamshire, Dec. 5; Caring, Dec. 5; Marshall's (Halfday), Dec. 5; Norton W. E., Dec. 5; Out and Associated Invest. Trust, Dec. 5; Smith, Dec. 5; United Gas Industries, Dec. 14; Fisons, Dec. 14; Cardiac Machine, Dec. 14; Dennis James H., Dec. 14; Hawkins and Tison, Dec. 14.

## BIDS AND DEALS

# Dawson sales and profit up midway: Haggas scrip

Dawson International, the luxury knitwear group, yesterday announced a 12 per cent lift in sales to \$44.9m and a 17 per cent jump in pre-tax profits to \$5.6m for the six months to September 30.

The interim figures accompanied a formal offer document covering the agreed \$25m cash and share bid for John Haggas, the Yorkshire yarnspinner.

The document shows that Haggas intends to make a one-for-six scrip issue prior to the bid to reduce stamp duty payable by shareholders. As a result the offer is now 10 Dawson shares plus 19 cash for every 63 Haggas shares (equal to nine old shares). Shares representing fractions will not be issued but will be aggregated and sold for the benefit of Dawson.

Haggas has revalued its assets and, with the addition of \$1.3m in deferred tax, the net tangible assets are worth \$2.6m compared with the \$2.3m figure in the latest accounts.

The Haggas group will continue to be run by Mr. Brian Haggas as managing director and he will join the Dawson board and its executive committee. He also intends to sign a three-year service agreement, the details of which have still to be finalised. The Dawson interim statement said that a dividend of 4p will be paid on January 25 to shareholders registered by December 31.

## AMALGAMATED STORES INCREASE

Amalgamated Stores, the property investment group, has sent shareholders a 15-pence circular detailing property acquisitions, disposals and revaluations. The group reports that since the relisting of its shares on the Stock Exchange and its reorganisation in February of last year net assets have increased from 2.3p to 11.8p per share. For the year ended at March 31, 1978 it has acquired the freehold of Lynton House, Praed Street, London, W; the head leasehold of

## MINING NEWS

# Ergo's double reclamation

BY KENNETH MARSTON, MINING EDITOR

THE UNIQUE combination of producing gold, uranium and sulphuric acid from previously discarded mine waste while at the same time removing a source of pollution and reclaiming land which was previously covered by slimes dumps, was welcomed by Mr. S. P. Borch, South Africa's Minister of Mines and Labour, yesterday.

Speaking at the official opening of the Anglo American Corporation group's highly successful R440m (R33.3m) East Rand Gold and Uranium (ESR) waste dump re-treatment complex in the East Rand he said that investigations were under way into improving the huge plant's recoveries. The present annual production rate is 7,000 kilograms of gold, 200 tonnes of uranium oxide and 330,000 tonnes of sulphuric acid.

Mr. Borch pointed out that the government of the U.S. and Canada are planning major programmes of remedial action in regard to uranium tailings in these countries. He suggested that under the right conditions, the re-treatment of tailings in this respect could be passed on to other countries. He added that the combined resources of uranium in South Africa and Namibia (South West Africa) represented some 17 per cent of the Western world's total of reasonably guaranteed reserves which can be mined at less than \$50 per pound of uranium oxide. In the foreseeable future South Africa should be able to maintain its position as one of the four leading suppliers of uranium, he said. So far, the country's uranium industry has earned at least R1.5bn in foreign currency.

Wood manufacturers and markets glassware from freehold premises in Barnsley, Yorkshire. In the year to July 2, 1978 Wood had net assets \$270,000 and returned a pre-tax loss of \$23,900. Although losses have been incurred from the chrome industry these have progressively diminished and Singlo believes that the improved trend is continuing.

## TCL SHOULD PAY MORE AGAIN

In the absence of unforeseen circumstances, the dividend growth of the Barlow Rand group's Transval Consolidated Land and Exploration can be expected to continue in 1979. This was the latest annual report of the chairman, Mr. A. C. Petersen, points out that pre-tax coal earnings should increase "considerably" in line with the start of production at the Rietpspruit opencast mine.

Gold and platinum dividend income should also rise in the current year to next September, but there will be a limited contribution from the chrome mines whose markets are suffering from slack demand and over-production. Interest on borrowings for capital works at Rietpspruit and on the chrome mines will no longer be capitalised, but will be charged to profits. In addition, amortisation charges on these assets will commence.

The sum of these charges will be substantial and may result in net profits being close to those of 1977-78; the latter being R27.48m against R23.86m in the previous year. The past year's dividend was raised to 110 cents from 95 cents. Mr. Petersen adds, however, that rapid repayment of the loans is planned and increasing additional earnings from the new

## Westfield's Newfoundland uranium find

INTRIGUING first uranium assay results—ranging up to a highly radioactive 200 lbs uranium oxide per ton in one boulder—are reported by Canada's Westfield Minerals from its discovery in the vicinity of the upper James River in Newfoundland.

Follow-up investigation of the previously reported discovery of uranium in the district of "sandstone fragments" and boulders in one zone averaged only 0.6 lbs while two boulders in the stream bed of Wigan Creek have given 1.5 lbs and 3.2 lbs respectively. The earlier-mentioned high value 200 lb boulder in one of the three pits was relatively fresh and unweathered at its central core.

"This the surface and near surface material is of the type which is the deeper probing drills will find more consistent and good grade values. At this stage, however, there appears to be no indication of the size of the prospect or of its overall grade."

All that can be said is that the values obtained from the limited amount of sampling carried out are very encouraging and Westfield has been busy staking and optioning additional claims in the area.

Since the first news of the discovery last month shares of Westfield have soared from 150p to as much as 350p at one time. Yesterday they closed 160p up at 350p, after moving between extremes of 375p and 390p.

## SAMANTHA PLANS SHARE FLOAT

Samantha Exploration, the Australian diamond hopeful, is planning a public float with an issue of 10m shares at 40 cents (\$3.4p) each. The price rise to 30 cents, reports James Forth from Sydney. The issue will raise \$3.4m and give the public a 50 per cent interest in the company. Samantha has a number of exploration prospects, most of which are joint ventures. It is associated with the listed companies, Mid-East Minerals and the Trelake-Bake Group.

After the float Mid-East will hold 16.7 per cent of the capital and Trelake and Bake 2.3 per cent each. The issue is underwritten by May and Mellor, the Melbourne stockbrokers, and follows the recent float by Ashton Mining, which is part of a consortium with the contract for the main diamond discovery in Western Australia.

# Wheway Watson expands to £0.42m and confident

IN THE half year ended September 30, 1978, turnover of Wheway Watson Holdings improved from £57.1m to £70.0m and profits, before tax, were higher at £420,349 against £258,516 in the same period last year.

Second half profits should show some further advance although the rate of increase may not match the percentage rise of the first six months, the directors say. However, they are confident of a satisfactory outcome for the year. The interim dividend is 0.45p (0.35p) and has been based on the assumption that the year's total will increase by 10 per cent. The profit is struck after interest of £102,500 (£100,994).

The group trades as chain-maker, engineer and forger.

## £31,000 rise for Moorgate Mercantile

PRE-TAX PROFITS of Moorgate Mercantile Holdings rose from £103,000 to £134,000 on turnover ahead from £172m to £183m in the half year to September 30, 1978.

There is again no interim dividend. The group has not paid a dividend since the 1973 interim of 0.5p net. Earnings per 10p share are shown up from 0.67p to 0.85p.

The amount attributable is up from £102,000 to £161,000 after the transfer of £27,000 (nil) from capital reserve of the surplus on revaluation realised on the sale in June 1978 of the property at Westcliff-on-Sea. There are no minorities this time, against £1,000, and again no tax due to losses brought forward.

## Turnround to profit for Dykes

A TURNROUND from a loss of £35,633 to a pre-tax profit of £70,044 was reported by Dykes (Holdings) in the first half to July 31, 1978. There is an interim dividend of 0.55p net—subject to formal Treasury consent—no dividends were paid last year.

The profit was arrived at after crediting £111,111 proceeds from the settlement of an outstanding litigation.

The directors say the trading

# Matthew Hall £1.7m purchase

year to 7p net per share. Treasury consent has been granted.

Matthew Hall and Co has bought Quater, Hall and Co from British Steel Construction (Birmingham) for £1,655,500 in cash. This amount is subject to a retention fund pending the outcome of certain unresolved matters. Quater, Hall carries on the business of design, manufacture and installation of mining equipment and bulk materials handling systems and is based at Barnsley, South Yorkshire.

The company, while retaining its separate identity, will complement the activities of Matthew Hall Orich, and will enable the services it is able to offer to the mining and materials handling industries both internationally and within the UK.

It is Matthew Hall's intention to continue the business of Quater, Hall at its present location and under its present name and management.

At October 31, 1977, the date of Quater, Hall's latest audited accounts, net assets were shown as £1,158,894 and the profit before tax for the year ended on that date amounted to £380,681.

## APPROACHES TO McNEILL GROUP

The receivers of the McNeill Group have been approached by a number of parties who are interested in acquiring the group's interests.

In a statement the joint receivers say that they will be carefully considering all the approaches but are not in a position to indicate the nature of the discussions which have taken place, the parties concerned, or the type of proposals made. McNeill is a Northern Ireland-based concrete and structural engineering.

The receivers have also had a meeting with Mr. J. D. Concanon, the Minister responsible for industry and manpower in the province, who is considering the matter with regard to the prospects of maintaining employment. If possible, he would seek to develop a joint plan with one or more of the interested parties which will provide a long term solution and secure as many jobs as possible.

The receivers are continuing to trade and have the co-operation of directors, employees and unions. A further statement will be issued in the near future.

## KIEN HUAT INCREASES STAKE

Kien Huat Realty, the Malaysian company which has been in conflict with the Harrison and Crossfield group in the past, has spent about another £21m to increase its stake in the group.

That is the current market value of the 450,000 shares in H and C which it has bought since July. The stake is now raised from 12 to 12.9 per cent.

Kien Huat bought 83,000 of these shares on November 23, the day after H and C's bid for the minority of Sabah Timber was announced. The other 363,000 shares were bought at a previous unspecified time.

On Tuesday it was announced that Kien Huat had spent £900,000 buying 1,476 shares in Sabah Timber. H and C succeeds in acquiring the 40 per cent minority of Sabah which it does not already own. Kien Huat's stake in H and C will be diluted down again to 11.8 per cent.

## CALA/SCOTTISH WESTERN TRUST

Shareholders of the City of Aberdeen Land Association have been recommended by their board to reject the 100p per share offer from Scottish Western Trust Company.

Mr. A. Ledingham, the chairman of CALA, in a letter to shareholders sent yesterday, says that SWT only intends to keep a minority interest in CALA. A proportion of the shares SWT has already acquired will be placed.

He draws attention to the fast growth of CALA over the past five years and the exit yield of 10.1 per cent if shareholders accept the offer. The directors are forecasting a 35 per cent dividend increase in the current

## BLACKWOOD MORTON

Blackwood Morton and Sons (Holdings) says that the sale of the land, buildings and plant of its Canadian subsidiary, which ceased production in May 1978, has been completed.

The surplus of the net proceeds over the book amount of the assets sold will be dealt with in the group accounts for the year to June 30, 1979.

## SINGLO BUYS

Singlo Holdings is offering to acquire Wood Brothers Glass Company and has received irrevocable acceptances in respect of 97 per cent of Wood shares. The consideration is £125,000 cash.

He says present indications are that a further increase in dividend income may be expected and this together with the recent increase in deposit interest rates should produce improved profits.

As already known, gross income rose slightly from £52,357 to £58,015 in the year ended September 30, 1978, and pre-tax revenue was virtually unchanged at £457,373 (£456,857).

## Scottish Cities Trust sees better year

Increased profits for the current year at Scottish Cities Investment Trust are forecast by the chairman, the chairman, in his annual statement.



### Dawson International Limited

(Incorporated in Scotland)

#### INTERIM REPORT

for the half-year to 30th September, 1978

An interim dividend for the year 1978/79 of 30 pence (after the capitalisation issue of one for one on 1st November) is declared today on the ordinary and 'A' Ordinary non-voting shares of the Company (compared with 0.27p paid last year). This is in line with the announcements made to shareholders. Also, as announced, dividends for the year are expected to total 70 pence (after adjusting for the capitalisation issue) (compared with 1.56p paid last year).

The above dividend will be paid on 23th January, 1979 to those shareholders on the register at the close of business on 22nd December, 1978.

	Unaudited First Six Months 1978/79	Unaudited First Six Months 1977/78	Audited Year 1977/78
Sales	44,099	40,202	62,597
Trading Profit	6,502	5,239	15,532
Interest	129	(183)	(52)
Profit before Taxation and Extraordinary Items	6,631	5,056	15,530
Taxation	3,012	2,783	7,058
Profit after Taxation but before Extraordinary Items	3,619	2,273	8,472
Extraordinary Items	18	—	6
Preference Dividend	(9)	(9)	(12)
Profit attributable to members of the Parent Company	3,628	2,264	8,466

The *Interim Report* is based on an estimated rate for the year and includes full provision for deferred taxation. Any reduction arising from the application of S.E.P. 15 has not, therefore, been taken into account.

- \* Profits for half-year up 17%.
- \* Profits for the year forecast for not less than £145 million.
- \* Net current liquidity £18.8 million.
- \* Acquisition of John Haggas will result in further profitable progress.
- \* Recommended Offer Document for John Haggas being posted today.



Weekly net asset value on November 27th, 1978

Tokyo Pacific Holdings N. V.

U.S. \$63.06

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$45.95

Listed on the Amsterdam Stock Exchange

Information: Piersen, Hedding & Piersen NV Harengracht 214, Amsterdam

## OIL AND GAS NEWS

# Alberta oil-sands agreement signed

A CONSORTIUM of Canadian oil companies has signed an agreement with the Government of Alberta giving the latter the right to earn a 25 per cent undivided working interest in 1.24m acres of Alberta oil-sands leases and rights to an in-situ recovery process owned by the consortium.

The consortium consists of Petro-Canada, Canada Cities Service and Esso Resources Canada, with Petro-Canada as the operator of the venture.

To earn the interest in the venture Japan Oil Sands must spend at least \$24.8m in three phases with each phase extending over five years.

The first phase involves an initial field pilot of 16 wells to evaluate the recovery process under field conditions. A second phase would obtain field operations and cost information, while the final phase would examine the economics of full-scale production.

Great Canadian Oil Sands, a unit Sun Oil Co. to expand the capacity of its oil sands plant at Fort McMurray, Alberta, by 13,000 barrels a day, according to Mr. Alastair Gillespie, Canada's Minister of Energy, Mines and Resources.

In 1977, the plant, which started operations in 1968, produced an average of around 45,000 barrels of synthetic crude oil a day.

Mr. Gillespie added that Great Canadian will be given access to world prices for its output as is the case with the Canadian oil sands.

The company's Develco-Lay No. 27-1 well in Custer County tested 60 cubic feet of gas per

## NOTICE OF MEETING OF THE HOLDERS OF THE U.S.\$25,000,000 FLOATING RATE NOTES DUE 1986 OF EMPRESA NACIONAL DEL PETROLEO, S.A. (ENPETROL)

NOTICE IS HEREBY GIVEN THAT A GENERAL MEETING OF NOTEHOLDERS IS HEREBY CONVENED IN RESPECT OF THE ISSUE OF THE ABOVE-MENTIONED NOTES BY EMPRESA NACIONAL DEL PETROLEO, S.A. (ENPETROL), IN ACCORDANCE WITH THE TERMS OF THE ESCRITURA DELIBERADA POR NOTARIO PUBLICO FRANCISCO LUCAS FERNANDEZ (THE 11TH SEPTEMBER, 1978, WITH NUMBER 3423 OF HIS PROTOCOL).

The Meeting will be held in Madrid at the domicile of the Company, General Sanjurjo, 4, Madrid-1, the 20th of December, 1978, at 16.30 hours for the following purposes:

1. Approval or (if this be the case) disapproval of the conduct of the Comisario.
2. Approval of the appointment of the Comisario or (if this be the case) the appointment of one person in its place.
3. The establishment of the internal regulations of the syndicate of Noteholders.
4. Approval of the Minutes of the Meeting and the appointment of a person to make the appropriate registrations of the documents of the meeting.

In the event that Noteholders representing not less than two thirds of the principal amount of the Notes then outstanding are not present or represented at the meeting the meeting will be adjourned until 16.30 hours, at the same address, on the following day, 21st December, 1978.

Signed: El Comisario, Fernando Ponce, Generalissimo, 42, Madrid-16, Spain

## Province of Quebec 7½% Sinking Fund Debentures 1988

S.E. redemption due \$51.79—\$1,000,000.

Bonds have been purchased on the market to satisfy this call.

## PARKLAND TEXTILE (HOLDINGS) LTD

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 1st SEPTEMBER 1978

	Half-year ended 1st Sept. 1978	Half-year ended 2nd Sept. 1977	Year ended 3rd Mar. 1978
TURNOVER	14,954	13,828	20,194
PROFIT BEFORE TAX	1,156	1,014	2,308
PROFIT AFTER TAX	866	651	1,513
DIVIDEND PER SHARE (p)	1.59125	1.36125	3.20875

Albion Mills, Greengates, Bradford BD10 9TD.

Provide first information for the following: Europe, S.E. Middle East and Ireland.



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## NORTH AMERICAN NEWS

## Ashland Oil gives reasons for its property sell-off

BY DAVID LASCELLES

IN ONE of the most astonishing developments in the U.S. oil industry for some time, Ashland Oil, the large U.S. oil company, is selling this week to sell off most of its oil and gas producing properties, worth \$100m or more and containing a 200m barrel equivalent of oil and gas.

Details of these plans, previously announced by the Kentucky-based company, were given in an interview today with Mr. Orin Atkins, chairman and chief executive officer.

He indicated that a change in corporate strategy had emerged now and that the company had come to see its role more in the marketing and refining field, while retaining interests in coal and petrochemicals. He said.

Based upon our evaluation of present conditions in the oil industry, the ownership of oil and natural gas reserves is of questionable strategic importance to a refiner-market such as Ashland.

Mr. Atkins went on to say that, "today, the ownership of crude oil production can be justified only if it earns a profit commensurate with the oil's underlying value." Although Ashland's oil-finding costs have not been high, they have increased enough to limit earnings. Therefore the company felt it was not translating its strengths into meaningful value for its stockholders.

In the last five years, Ashland has spent almost \$500m enlarging and modernising its refining, marketing and transportation facilities, and had developed facilities to process high sulphur crude into petrol and other products in high demand. The shortage of such capacity is said to be putting growing difficulties in refineries and the field should narrow oil levels out of this.

Ashland's future plans in the field, Mr. Atkins said, include the possibility of taking over operation of two oil refineries, Canby-Chance in Newfoundland, and Corco in Puerto Rico on behalf of a group of Arab investors led by Roger Tamraz.

Ashland has also been trying to take over the Tosco refining company in California, but this has run into legal snags. Mr. Atkins said about 20 companies had been studying Ashland's sale offer, and the field should narrow to serious bidders this week. The company refused to elaborate on who these bidders might be, but it has been speculated in the industry that another large company might be entering the field. This would narrow bidders down to members of non-oil industries, or foreign oil companies without major operations in the U.S.

Dresser's Director of Investor Relations, Herbert Ryan, told the conference that capital spending, budgeted at between \$800m and \$1.2bn over the next five years is expected to be financed from internal sources. The group's five-year projections show revenue growth from petroleum service operations, 16 per cent from energy processing equipment, 10 to 20 per cent from refractories and mineral products, and 10 to 15 per cent from construction and mining equipment.

Mr. Ryan said Dresser expects to expand through takeovers and also to diversify its subsidiaries. The coal mining equipment and the nuclear power industries appeared to be key areas for further expansion through the early 1980s, he added.

Dresser's aim is to achieve a minimum previous return of 25 per cent from existing operations and 35 per cent from new projects.

Luter said Dresser has no plans to raise its debt ratio above 35 per cent of total capital, while at least 65 per cent of the company's debt will be kept long-term.

## Dresser sees profits increase

DRESSER INDUSTRIES expects net earnings of about \$200m on sales of around \$500m for the year ended October 31, against \$185m and \$255m in fiscal 1977.

Senior Finance Vice-President Edward Luter told an investor's conference in London that fiscal 1978 is expected to show further improvement, while the company has set a minimum target of 10 to 15 per cent annual earnings growth in the five years to 1983.

If the target is achieved, earnings in 1983 would range between \$8 and \$11 per share against \$4.75 reported for fiscal 1977, he said.

Luter said Dresser expects to

expand through takeovers and also to diversify its subsidiaries. The coal mining equipment and the nuclear power industries appeared to be key areas for further expansion through the early 1980s, he added.

Dresser's aim is to achieve a minimum previous return of 25 per cent from existing operations and 35 per cent from new projects.

Luter said Dresser has no plans to raise its debt ratio above 35 per cent of total capital, while at least 65 per cent of the company's debt will be kept long-term.

Dresser's Director of Investor Relations, Herbert Ryan, told the conference that capital spending, budgeted at between \$800m and \$1.2bn over the next five years is expected to be financed from internal sources. The group's five-year projections show revenue growth from petroleum service operations, 16 per cent from energy processing equipment, 10 to 20 per cent from refractories and mineral products, and 10 to 15 per cent from construction and mining equipment.

Mr. Ryan said Dresser expects to expand through takeovers and also to diversify its subsidiaries. The coal mining equipment and the nuclear power industries appeared to be key areas for further expansion through the early 1980s, he added.

Dresser's aim is to achieve a minimum previous return of 25 per cent from existing operations and 35 per cent from new projects.

Luter said Dresser has no plans to raise its debt ratio above 35 per cent of total capital, while at least 65 per cent of the company's debt will be kept long-term.

## Florida Gas investment plans

BY TERRY BYLAND

FLORIDA GAS, the oil and gas exploration and transportation group, has budgeted for \$78m investment in the coming year, said Mr. Selby W. Sullivan, chairman of the Board and president in London yesterday.

He expects a Government decision very soon on the \$200m project to change one of the company's pipelines in Texas

from oil and gas into general petroleum products.

But for the medium-term, the \$78m from its pipeline for transporting gas and oil from the Gulf of Mexico border under the Gulf of Mexico Eastern of Mexico, Sales totalled \$200m.

These to show an improvement on last year's \$185m share. The group much as \$30m of coal per year in the future from the pipeline which is planned for construction in 1985.

Florida Gas earned 74 per cent of its 1977 earnings of \$25m from its pipeline for transporting gas and oil from the Gulf of Mexico border under the Gulf of Mexico Eastern of Mexico, Sales totalled \$200m.

These to show an improvement on last year's \$185m share. The group much as \$30m of coal per year in the future from the pipeline which is planned for construction in 1985.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

U.S. DOLLAR	Issued	Day	Offer	Change	Day	Offer	Change
Ara 4 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0

U.S. DOLLAR	Issued	Day	Offer	Change	Day	Offer	Change
Ara 4 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0

U.S. DOLLAR	Issued	Day	Offer	Change	Day	Offer	Change
Ara 4 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0
Amstar 6 1/2 30	100	100	100	0	100	100	0

## Occidental in SEC filings inquiry

By Our Own Correspondent

NEW YORK, Nov. 29. OCCIDENTAL PETROLEUM has revealed that the Securities and Exchange Commission is investigating its filings with the commission in the last three years.

This emerged in documents which the oil company has filed with the S.E.C. in connection with its fourth-month take-over bid for Med Corporation, the Ohio forest products company.

According to the company, the areas being investigated include the accuracy of statements connected with the Med takeover, the company's foreign and domestic oil and gas operations, accounting practices, arrangements with foreign governments or their agents and affiliates, compliance with environmental protection laws and contingent liabilities resulting from misleading disclosures.

● Reuter adds: Occidental stated it "does not believe that it made any such misleading statements or omissions of material fact."

But it acknowledged that Dr. Aron Hammer, the company chairman, "obtained undated resignations, from a small number of past management directors."

NEW YORK, Nov. 29. HITACHI, the Japanese electronics giant, said today its company was disappointed with a U.S. Government decision to oppose a proposed joint venture with General Electric in the U.S. to produce television sets.

He said in a statement they were in the process of reviewing the decision and consulting with GE on future plans.

Hitachi officials declined to comment further, saying they have not received formal notification from the U.S. authorities. Hitachi is reportedly considering a reduction of its share of the capital in the new company and a cut in its monthly production target in order to win approval from the U.S. Justice Department.

TOKYO, Nov. 29. HITACHI, the Japanese electronics giant, said today its company was disappointed with a U.S. Government decision to oppose a proposed joint venture with General Electric in the U.S. to produce television sets.

He said in a statement they were in the process of reviewing the decision and consulting with GE on future plans.

Hitachi officials declined to comment further, saying they have not received formal notification from the U.S. authorities. Hitachi is reportedly considering a reduction of its share of the capital in the new company and a cut in its monthly production target in order to win approval from the U.S. Justice Department.

## Hitachi disappointed

By Richard C. Hanson

TOKYO, Nov. 29. HITACHI, the Japanese electronics giant, said today its company was disappointed with a U.S. Government decision to oppose a proposed joint venture with General Electric in the U.S. to produce television sets.

He said in a statement they were in the process of reviewing the decision and consulting with GE on future plans.

Hitachi officials declined to comment further, saying they have not received formal notification from the U.S. authorities. Hitachi is reportedly considering a reduction of its share of the capital in the new company and a cut in its monthly production target in order to win approval from the U.S. Justice Department.

TOKYO, Nov. 29. HITACHI, the Japanese electronics giant, said today its company was disappointed with a U.S. Government decision to oppose a proposed joint venture with General Electric in the U.S. to produce television sets.

He said in a statement they were in the process of reviewing the decision and consulting with GE on future plans.

Hitachi officials declined to comment further, saying they have not received formal notification from the U.S. authorities. Hitachi is reportedly considering a reduction of its share of the capital in the new company and a cut in its monthly production target in order to win approval from the U.S. Justice Department.

## Macy sees slower growth

NEW YORK, Nov. 29.

R. M. MACY, the department store group, expects a slower rate of growth for the economy next year, "which means even sharper competition in our industry," the chairman, Mr. Donald B. Smiley said at the annual meeting.

Mr. Smiley said that 1979 would "be a difficult year for managing a business well." However, Macy's believed that it could continue to compete successfully.

Macy's was working with other retailers on suggestions for the Council on Wage and Price Stability, a federal standards body, to set price controls for department store merchandise.

Since the retailing industry was at the end of the distribution cycle and did not initiate the basic increases in the cost of the materials, or the processing, which governed prices to consumers.

The Bureau of Labor statistics index of the category of goods carried in our stores showed a price increase for July, 1978 of 1.4 per cent over the previous year, Mr. Smiley said.

Reuter.

## Canadian banks boost earnings

By Robert Gibbins

MONTREAL, Nov. 29. CANADA's largest chartered bank, the Royal Bank of Canada, had earnings of \$26.8m or \$2.74 a share in the year ended October 31, against \$25.8m or \$2.70 a share in the year earlier. Loss appropriation was \$297m against \$370m. Revenues were \$32.74bn, compared with \$32.74bn while assets rose from \$324.3bn to \$340.9bn.

Bank of Nova Scotia earned \$29.9m or \$2.20 a share in the year ended October 31, against \$27.7m or \$2.18 a share previously. Loss appropriation was \$362m against \$344m revenues were \$32.1bn against \$31.7bn with assets increasing from \$322.3bn to \$327.6bn.

## Georgia-Pacific

Georgia-Pacific, the wood, paper and gypsum group, will have its 1977 financial statement qualified pending the outcome of certain litigation, Reuter reports from Portland.

The qualification, by Arthur Andersen, results from the previously announced jury verdict that a conspiracy existed between Georgia-Pacific and other producers of softwood plywood in class action antitrust suits in a Federal Court in New Orleans.

Georgia-Pacific intends to continue defending the class actions in additional proceedings.

## RETAIL GROCERS

## Borrowing European ideas

BY MARALYN EDID, CHICAGO CORRESPONDENT

AMERICA'S MID-WESTERN French supermarket chain, 15 per cent gross margin compared with the industry average of 16 per cent to 20 per cent.

Because net profits in the supermarket industry are a tight 13 per cent of sales, limited assortment stores and the chains that carry groceries must compete for lower margins with higher volume. Critics say this could lead to a new round of cut-throat competition that will only exacerbate the lower profit margins and undermine profit structures.

But the critics may have been too naive. With inflation now a part of daily life, shoppers seem willing to exchange customer service and top-quality products for lower grocery bills. And food retailers, from giant supermarkets to independent grocers, seem willing to swallow lower profit margins in exchange for customer loyalty.

Limited assortment stores are also mushrooming. On November 1, there were approximately 200 limited assortment outlets scattered throughout the country, with at least two-thirds located in the mid-west.

There is, however, some evidence that groceries are further reducing demand for less popular colors and brands. Jewel executives acknowledge that groceries have cut into sales of national and private labels, but they say they are still assessing the situation and have not yet pulled any items from their inventory.

Food industry executives say Aldi and its imitators are draining customers from full-line supermarkets. The limited assortment operations are still too widely scattered to accurately determine their market share, but with estimated weekly sales ranging from \$35,000 to \$100,000 at each Aldi unit, they are a force to be reckoned with.

As groceries and limited assortment stores gain in popularity, national brand food processors are quietly reducing their orders and shelving and grocery sales are being reduced. Aldi officials say they will not comment about any change of their operation, but it is still unclear if second line processors can meet the rising demand for their output.

French supermarket chain, 15 per cent gross margin compared with the industry average of 16 per cent to 20 per cent.

Because net profits in the supermarket industry are a tight 13 per cent of sales, limited assortment stores and the chains that carry groceries must compete for lower margins with higher volume. Critics say this could lead to a new round of cut-throat competition that will only exacerbate the lower profit margins and undermine profit structures.

But the critics may have been too naive. With inflation now a part of daily life, shoppers seem willing to exchange customer service and top-quality products for lower grocery bills. And food retailers, from giant supermarkets to independent grocers, seem willing to swallow lower profit margins in exchange for customer loyalty.

Limited assortment stores are also mushrooming. On November 1, there were approximately 200 limited assortment outlets scattered throughout the country, with at least two-thirds located in the mid-west.

There is, however, some evidence that groceries are further reducing demand for less popular colors and brands. Jewel executives acknowledge that groceries have cut into sales of national and private labels, but they say they are still assessing the situation and have not yet pulled any items from their inventory.

Food industry executives say Aldi and its imitators are draining customers from full-line supermarkets. The limited assortment operations are still too widely scattered to accurately determine their market share, but with estimated weekly sales ranging from \$35,000 to \$100,000 at each Aldi unit, they are a force to be reckoned with.

As groceries and limited assortment stores gain in popularity, national brand food processors are quietly reducing their orders and shelving and grocery sales are being reduced. Aldi officials say they will not comment about any change of their operation, but it is still unclear if second line processors can meet the rising demand for their output.

With inflation beginning to bite into disposable incomes, the U.S. housewife, like her European counterparts, is responding to offers to cut shopping bills. The Chicago area is the scene of two such operations.

Chicago, including 18 in the Chicago suburbs.

These limited assortment stores carry the most common household staples which are displayed in their original packaging, and offer no customer amenities, such as coupon redemption and grocery bagging. They carry meat and produce departments. Aldi prices are about 30 per cent below those in conventional supermarkets, a cost saving effected through a streamlined warehouse and distribution system and other cost-reducing measures. Critics say Aldi's products are second-rate.

But the significant price factor is that groceries are quietly reducing their orders and shelving and grocery sales are being reduced. Aldi officials say they will not comment about any change of their operation, but it is still unclear if second line processors can meet the rising demand for their output.

French supermarket chain, 15 per cent gross margin compared with the industry average of 16 per cent to 20 per cent.

Because net profits in the supermarket industry are a tight 13 per cent of sales, limited assortment stores and the chains that carry groceries must compete for lower margins with higher volume. Critics say this could lead to a new round of cut-throat competition that will only exacerbate the lower profit margins and undermine profit structures.

But the critics may have been too naive. With inflation now a part of daily life, shoppers seem willing to exchange customer service and top-quality products for lower grocery bills. And food retailers, from giant supermarkets to independent grocers, seem willing to swallow lower profit margins in exchange for customer loyalty.

Limited assortment stores are also mushrooming. On November 1, there were approximately 200 limited assortment outlets scattered throughout the country, with at least two-thirds located in the mid-west.

There is, however, some evidence that groceries are further reducing demand for less popular colors and brands. Jewel executives acknowledge that groceries have cut into sales of national and private labels, but they say they are still assessing the situation and have not yet pulled any items from their inventory.

Food industry executives say Aldi and its imitators are draining customers from full-line supermarkets. The limited assortment operations are still too widely scattered to accurately determine their market share, but with estimated weekly sales ranging from \$35,000 to \$100,000 at each Aldi unit, they are a force to be reckoned with.

As groceries and limited assortment stores gain in popularity, national brand food processors are quietly reducing their orders and shelving and grocery sales are being reduced. Aldi officials say they will not comment about any change of their operation, but it is still unclear if second line processors can meet the rising demand for their output.

With inflation beginning to bite into disposable incomes, the U.S. housewife, like her European counterparts, is responding to offers to cut shopping bills. The Chicago area is the scene of two such operations.

Chicago, including 18 in the Chicago suburbs.

These limited assortment stores carry the most common household staples which are displayed in their original packaging, and offer no customer amenities, such as coupon redemption and grocery bagging. They carry meat and produce departments. Aldi prices are about 30 per cent below those in conventional supermarkets, a cost saving effected through a streamlined warehouse and distribution system and other cost-reducing measures. Critics say Aldi's products are second-rate.

But the significant price factor is that groceries are quietly reducing their orders and shelving and grocery sales are being reduced. Aldi officials say they will not comment about any change of their operation, but it is still unclear if second line processors can meet the rising demand for their output.

## EUROBONDS

## U.S. trade deficit hits markets

By John Evans

AN EARLY rally in dollar Eurobonds was halted towards the close of trading yesterday, after news of a wider U.S. trade deficit in October and a retreat by the dollar in currency markets aroused new concern among investors.

However, the market's main talking point remained the planned \$50m 15-year straight issue by Norsk Hydro. The proposed terms on the offering—an indicated 8 1/2 per cent coupon and pricing at a discount—helped create demand for existing long-dated bonds.

Issues currently yielding in the region of 10 per cent added up to 1 point or so, on the view that the Hydro terms made their current prices appear cheap, analysts said.

The Hydro issue will be priced according to market conditions on December 5. Meanwhile, a \$50m floating rate note issue for Sonatrach started trading at around 98 1/2 to 97 1/2, compared with the issue price of 97.

Prices of Deutsche mark Eurobonds moved aimlessly. The new DM 100m 10-year Oesterreichische Kontrollbank bond, indicated at 8 1/2 per cent and par, was trading down.

The DM 150m bond for Occidental International Finance will carry a 8 1/2 per cent coupon instead of the envisaged 8 1/2 per cent and has been priced at par, lead manager WestLB said.

The syndicate of major banks which manages bond issues for foreign borrowers on the Swiss capital market plans no further issues this year, according to primary market sources quoted in Zurich by Reuters.

Demand from borrowers in float Swiss loans has tailed off as the year-end approaches, although the flow of new issues is expected to resume in January.

Among the latest issues should be a Swf 100m bond for the Resettlement Fund of the Council of Europe.

AN EARLY rally in dollar Eurobonds was halted towards the close of trading yesterday, after news of a wider U.S. trade deficit in October and a retreat by the dollar in currency markets aroused new concern among investors.

However, the market's main talking point remained the planned \$50m 15-year straight issue by Norsk Hydro. The proposed terms on the offering—an indicated 8 1/2 per cent coupon and pricing at a discount—helped create demand for existing long-dated bonds.

Issues currently yielding in the region of 10 per cent added up to 1 point or so, on the view that the Hydro terms made their current prices appear cheap, analysts said.

The Hydro issue will be priced according to market conditions on December 5. Meanwhile, a \$50m floating rate note issue for Sonatrach started trading at around 98 1/2 to 97 1/2, compared with the issue price of 97.

Prices of Deutsche mark Eurobonds moved aimlessly. The new DM 100m 10-year Oesterreichische Kontrollbank bond, indicated at 8 1/2 per cent and par, was trading down.

The DM 150m bond for Occidental International Finance will carry a 8 1/2 per cent coupon instead of the envisaged 8 1/2 per cent and has been priced at par, lead manager WestLB said.

The syndicate of major banks which manages bond issues for foreign borrowers on the Swiss capital market plans no further issues this year, according to primary market sources quoted in Zurich by Reuters.

Demand from borrowers in float Swiss loans has tailed off as the year-end approaches, although the flow of new issues is expected to resume in January.

Among the latest issues should be a Swf 100m bond for the Resettlement Fund of the Council of Europe.

AN EARLY rally in dollar Eurobonds was halted towards the close of trading yesterday, after news of a wider U.S. trade deficit in October and a retreat by the dollar in currency markets aroused new concern among investors.

However, the market's main talking point remained the planned \$50m 15-year straight issue by Norsk Hydro. The proposed terms on the offering—an indicated 8 1/2 per cent coupon and pricing at a discount—helped create demand for existing long-dated bonds.

Issues currently yielding in the region of 10 per cent added up to 1 point or so, on the view that the Hydro terms made their current prices appear cheap, analysts said.

The Hydro issue will be priced according to market conditions on December 5. Meanwhile, a \$50m floating rate note issue for Sonatrach started trading at around 98 1/2 to 97 1/2, compared with the issue price of 97.

Prices of Deutsche mark Eurobonds moved aimlessly. The new DM 100m 10-year Oesterreichische Kontrollbank bond, indicated at 8 1/2 per cent and par, was trading down.

The DM 150m bond for Occidental International Finance will carry a 8 1/2 per cent coupon instead of the envisaged 8 1/2 per cent and has been priced at par, lead manager WestLB said.

The syndicate of major banks which manages bond issues for foreign borrowers on the Swiss capital market plans no further issues this year, according to primary market sources quoted in Zurich by Reuters.

Demand from borrowers in float Swiss loans has tailed off as the year-end approaches, although the flow of new issues is expected to resume in January.

Among the latest issues should be a Swf 100m bond for the Resettlement Fund of the Council of Europe.

AN EARLY rally in dollar Eurobonds was halted towards the close of trading yesterday, after news of a wider U.S. trade deficit in October and a retreat by the dollar in currency markets aroused new concern among investors.

However, the market's main talking point remained the planned \$50m 15-year straight issue by Norsk Hydro. The proposed terms on the offering—an indicated 8 1/2 per cent coupon and pricing at a discount—helped create demand for existing long-dated bonds.

Issues currently yielding in the region of 10 per cent added up to 1 point or so, on the view that the Hydro terms made their current prices appear cheap, analysts said.

The Hydro issue will be priced according to market conditions on December 5. Meanwhile, a \$50m floating rate note issue for Sonatrach started trading at around 98 1/2 to 97 1/2, compared with the issue price of 97.

Prices of Deutsche mark Eurobonds moved aimlessly. The new DM 100m 10-year Oesterreichische Kontrollbank bond, indicated at 8 1/2 per cent and par, was trading down.

The DM 150m bond for Occidental International Finance will carry a 8 1/2 per cent coupon instead of the envisaged 8 1/2 per cent and has been priced at par, lead manager WestLB said.

The syndicate of major banks which manages bond issues for foreign borrowers on the Swiss capital market plans no further issues this year, according to primary market sources quoted in Zurich by Reuters.

Demand from borrowers in float Swiss loans has tailed off as the year-end approaches, although the flow of new issues is expected to resume in January.

Among the latest issues should be a Swf 100m bond for the Resettlement Fund of the Council of Europe.

AN EARLY rally in dollar Eurobonds was halted towards the close of trading yesterday, after news of a wider U.S. trade deficit in October and a retreat by the dollar in currency markets aroused new concern among investors.

However, the market's main talking point remained the planned \$50m 15-year straight issue by Norsk Hydro. The proposed terms on the offering—an indicated 8 1/2 per cent coupon and pricing at a discount—helped create demand for existing long-dated bonds.

Issues currently yielding in the region of 10 per cent added up to 1 point or so, on the view that the Hydro terms made their current prices appear cheap, analysts said.

The Hydro issue will be priced according to market conditions on December 5. Meanwhile, a \$50m floating rate note issue for Sonatrach started trading at around 98 1/2 to 97 1/2, compared with the issue price of 97.

Prices of Deutsche mark Eurobonds moved aimlessly. The new DM 100m 10-year Oesterreichische Kontrollbank bond, indicated at 8 1/2 per cent and par, was trading down.

The DM 150m bond for Occidental International Finance will carry a 8 1/2 per cent coupon instead of the envisaged 8 1/2 per cent and has been priced at par, lead manager WestLB said.

The syndicate of major banks which manages bond issues for foreign borrowers on the Swiss capital market plans no further issues this year, according to primary market sources quoted in Zurich by Reuters.

Demand from borrowers in float Swiss loans has tailed off as the year-end approaches, although the flow of new issues is expected to resume in January.

Among the latest issues should be a Swf 100m bond for the Resettlement Fund of the Council of Europe.

## Complications for Nigerian Eurocredit

BY FRANCIS GHILES

THE NIGERIAN Ministry of Finance has now asked a consortium of West German banks to pull out of a large Eurocurrency credit to Nigeria, according to bankers in London and Frankfurt. The consortium, headed by Deutsche Bank and Commerzbank, had previously been persuaded by the Nigerian Government to incorporate its

own loan of DM 750m (\$385m) into a Euro-dollar loan of \$750m.

There are currently three different tranches of credit being organised for Nigeria—a \$750m Euro-credit, the DM 750m project financing package, and a further loan package of \$125m to be provided by German banks with the guarantee of the German export credit

organisation Hermes. Both the latter tranches are earmarked for the Warri steel project.

It was only after long negotiations that the DM 750m project financing package was included in the Eurocredit to create a loan totalling \$1.45bn. The Nigerian Ministry of Finance has wished to establish the principle that loans to finance projects in Nigeria should be made

directly to the Nigerian government and should not be tied to specific projects. The German banks were inclined to arrange loans on a project-by-project basis, and thus support the export efforts of their German corporate clients.

There is still some confusion as to why the Nigerian Finance Ministry has now decided to give up this hard-won concession

## SKF

## Interim statement

SKF Group sales for the first nine months of 1978 amounted to 6,932 million Swedish kronor (Skr), an increase of Skr1,135 million or 19.6% over the corresponding 1977 figure.

Income before depreciation rose to Skr 670 million (629) while profit before exchange differences, extraordinary items, provisions and taxes decreased to Skr 98 million (143).

The rolling bearing sector continued to make the major profit contribution to the Group, and results for the cutting tool business as a whole were satisfactory. Strong recovery was noted in the steel sector where losses were substantially lower than twelve months previously.

The final quarter of 1978 is expected to show considerable profitability improvement over the third quarter. Anticipated Group income for the full financial year, before exchange differences, extraordinary items, provisions and taxes, is of about the same order as the 1977 profit figure.

## Comparison tables including the financial year 1977:

	Jan 1st to Sept 30th 1978		1977		Jan 1st to Dec 31st 1977	
	Mkr	%	Mkr	%	Mkr	%
Sales	6,932	100.0	5,797	100.0	8,004	100.0
Other operating income	62		44		59	
Operating revenue	6,994		5,841		8,063	
Cost of goods sold	4,932	71.1	4,053	69.9	5,628	70.3
Selling, administrative and development expenses	1,392	20.1	1,159	20.0	1,596	19.9
Operating income before depreciation	670	9.7	629	10.8	839	10.5
Depreciation	326	4.7	291	5.0	409	5.1
Operating income after depreciation	344	5.0	338	5.8	430	5.4
Financial income and expenses—net	−246	3.6	−195	3.4	−274	3.4
Income before exchange differences, extraordinary items, provisions and taxes	98	1.4	145	2.5	156	1.9
Capital expenditure, Mkr	255		465		757	
Average number of employees	53,992		57,361		57,209	
Group sales by product field*	Mkr	%	Mkr	%	Mkr	%
Rolling bearings	5,310	71.1	4,525	72.2	6,265	72.2
Steel	1,060	14.2	885	14.1	1,230	14.2
Cutting tools	355	4.8	275	4.4	365	4.2
Other products	745	9.9	585	9.5	820	9.4
Total	7,470	100.0	6,270	100.0	8,680	100.0







## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Ampol Petroleum boosted by exploration subsidiary

BY OUR OWN CORRESPONDENT

SYDNEY, Nov. 29.

INCREASED PRICES for locally-produced oil enabled Ampol Petroleum to post record earnings in the year to September 30, despite widespread industrial unrest in the second-half and continued heavy discounting of motor spirit.

Net profit rose 17.9 per cent from A\$8.45m to A\$9.98m (US\$113.5m). If the equity profits of associated companies are included, the group result rose from A\$10.1m to A\$12.07m. In the previous year, the earnings per share were 7.1 cents. The dividend is held steady at 6 cents a share.

Between September and November there was considerable industrial unrest in the industry, particularly in New South Wales where strikes by refinery workers depleted stocks of motor spirit.

The directors expect that if the situation returns to normal there will be a nationwide strike of drivers and aircraft refuellers. The managing director of Ampol, Mr. A. E. Harris said that the company's counter-measures against appreciation of the yen.

board was very disturbed at the recent disputes. He suggested that the oil industry needed a new approach to industrial relations, including clarification of jurisdictions, to avoid serious problems to the community and the nation.

Under the new approach, contributed to a fall in the growth of the motor spirit markets, which rose 2.9 per cent in the first half and only 0.5 per cent in the final six months. For the full year the spirit market rose 3.1 per cent, compared with 6.7 per cent in the previous year.

Reflecting the industrial problems, the company's earnings dropped 10 per cent in the second half, to A\$5.35m, compared with an 85.6 per cent increase to A\$4.6m in the first six months. Volume sale of motor spirit fell slightly for the year, Mr. Harris said that discounting of motor spirit, which has been widespread for years, had a heavier impact in the last year than had previously been encountered.

Exports, which improved by 7 per cent, accounted for 46 per cent of the total sales, as a result of strong demand for car services in the U.S. markets. Stereo sales in domestic market were sluggish and were affected by brick sales of airconditioners and refrigerators against the background of the hot summer weather.

Pioneer's dollar based exports accounted for 60 per cent of the total turnover. An exchange loss of Y120m-V140m was suffered, with the sharp appreciation of the yen.

The company recovered Y20m by cost-cutting measures and price rises. The basic exchange losses were between Y20m and Y30m.

For the current fiscal year, Pioneer's current profits were Y20m, and net profits of Y10m. Sales, it is believed, will be up 7.5 per cent on the 1978 figure, at Y180m.

Pioneer's consolidated net profits covering 26 subsidiaries were Y15.1m, in show a fall of 0.2 per cent, on sales of Y307.9m, up 8.6 per cent.

Net profits per American depositary share, which represents two shares of common stock, were Y313, against Y349.

board was very disturbed at the recent disputes. He suggested that the oil industry needed a new approach to industrial relations, including clarification of jurisdictions, to avoid serious problems to the community and the nation.

Under the new approach, contributed to a fall in the growth of the motor spirit markets, which rose 2.9 per cent in the first half and only 0.5 per cent in the final six months. For the full year the spirit market rose 3.1 per cent, compared with 6.7 per cent in the previous year.

Reflecting the industrial problems, the company's earnings dropped 10 per cent in the second half, to A\$5.35m, compared with an 85.6 per cent increase to A\$4.6m in the first six months. Volume sale of motor spirit fell slightly for the year, Mr. Harris said that discounting of motor spirit, which has been widespread for years, had a heavier impact in the last year than had previously been encountered.

Exports, which improved by 7 per cent, accounted for 46 per cent of the total sales, as a result of strong demand for car services in the U.S. markets. Stereo sales in domestic market were sluggish and were affected by brick sales of airconditioners and refrigerators against the background of the hot summer weather.

Pioneer's dollar based exports accounted for 60 per cent of the total turnover. An exchange loss of Y120m-V140m was suffered, with the sharp appreciation of the yen.

The company recovered Y20m by cost-cutting measures and price rises. The basic exchange losses were between Y20m and Y30m.

For the current fiscal year, Pioneer's current profits were Y20m, and net profits of Y10m. Sales, it is believed, will be up 7.5 per cent on the 1978 figure, at Y180m.

Pioneer's consolidated net profits covering 26 subsidiaries were Y15.1m, in show a fall of 0.2 per cent, on sales of Y307.9m, up 8.6 per cent.

Net profits per American depositary share, which represents two shares of common stock, were Y313, against Y349.

## Pioneer Electronic earnings recovery

By Yoko Shibata

TOKYO, Nov. 29.

PIONEER ELECTRONIC is well on the way to an earnings recovery which was shown in the latest financial year. In September, helped by the company's counter-measures against appreciation of the yen.

On a non-consolidated basis, current profits went up by 1.1 per cent to Y18.5m, despite a setback in net profits of Y10.2m (\$51.8m)—a decline of 1.7 per cent. Sales were Y167.3m, up 1.7 per cent over the previous fiscal year. Per share profits were Y118.8, compared with Y121.7 in fiscal 1977.

Exports, which improved by 7 per cent, accounted for 46 per cent of the total sales, as a result of strong demand for car services in the U.S. markets. Stereo sales in domestic market were sluggish and were affected by brick sales of airconditioners and refrigerators against the background of the hot summer weather.

Pioneer's dollar based exports accounted for 60 per cent of the total turnover. An exchange loss of Y120m-V140m was suffered, with the sharp appreciation of the yen.

The company recovered Y20m by cost-cutting measures and price rises. The basic exchange losses were between Y20m and Y30m.

For the current fiscal year, Pioneer's current profits were Y20m, and net profits of Y10m. Sales, it is believed, will be up 7.5 per cent on the 1978 figure, at Y180m.

Pioneer's consolidated net profits covering 26 subsidiaries were Y15.1m, in show a fall of 0.2 per cent, on sales of Y307.9m, up 8.6 per cent.

Net profits per American depositary share, which represents two shares of common stock, were Y313, against Y349.

## ARAB SHIPPING

## Gulf push for liner trade

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

PAN-ARAB shipping ambitions, general manager, the tough-minded and autocratic Englishman Mr. Donald Tod, Mr. Tod, last two years because of increased losses on oil tanker operations, were given a boost on Tuesday with the publication of the first set of accounts from the United Arab Shipping Company.

United Arab, formed from the nucleus of the state-owned Kuwait Shipping Company in 1974, reported net profits of KD 9.1m (US\$1.5m) for its first 18-month trading period to December last year.

This is not a spectacularly good result for a company capitalised at KD 180m (some US\$300m) which has relatively little interest-bearing debt—KD 3.8m interest was paid in the period under review. Under the terms of its Articles of Association, the company is obliged to pay a dividend to shareholders.

Dividends, however, are not at least at this stage in the company's history the first consideration of the shareholders. The Government of Kuwait, United Arab Emirates, Saudi Arabia, Bahrain, Qatar and Iraq.

The reason these states formed UASC was much more a reflection of their desire to construct a solid base in the field of non-hydrocarbon shipping as part of the downstream industrialisation favoured by the Organisation of Arab Petroleum Exporting Countries.

Oil tanker transport is catered for by the nine-state Arab Maritime Petroleum Transport Company, also Kuwait-based, which last year showed an operating loss of KD 8.3m, a position which has been corrected somewhat this year as a result of the recent surge in spot tanker freight markets.

With 58, mostly very modern ships and four container vessels under construction in Korea, United Arab has crossed the 1m tonne threshold and entered as a significant force in Middle East liner trades. In so doing, it has also demonstrated a competence which could one day make it a significant cross trader.

Its history is curiously bound up with that of its present partner, the United Arab Shipping Company.

fleet depreciation of KD 9.1m and contributions of over KD 2.5m from subsidiaries. The fleet is valued in the book at KD 168m.

The company has, however, exceeded its available funds by KD 3.5m and this liquidity problem has forced it into the European banking market in search of an 8-year loan of \$100m. Half this sum will go to finance the Korean ships—snap-up at the remarkable

barren price of \$12m each—and half to help the cash flow. Clearly the company's directors could, rather than borrowing, have simply chosen to pump in a further tranche of the KD 500m capital authorised under the Articles of Association. Part of the attraction of a loan is that it allows the company's books to reflect the cost of its money.

UASC's cash position is certainly much worse than its founders could reasonably have expected. This is because of the downturn in trading conditions in Middle East liner trades in the past 18 months.

The main cause of this downturn was the freeing of the Gulf ports from their chronic congestion, which UASC estimates to have effectively released an extra 20 per cent shipping capacity at a time when Gulf state economies were overhauling and trade growth slowing down.

Since the ports were unjammed early last year, shipping rates have tumbled and although there have been a handful of rationalisations and departures from the trade, rates have not recovered noticeably for general break-bulk cargo and for containers, a firmer trend in mid-year having not been sustained.

Mr. Tod says that he wants to test out the new container ships to see whether they prove to be ideal size and to see a little more clearly how the break between general cargo, container and oil-burner shipping in the Gulf turns out. UASC is dependent upon Gulf destinations for 95 per cent of its business, serving Europe, the Far East and the U.S. in what is almost entirely a one-way trade.

Yesterday's report did, however, point to two other possible developments: buying bulk carriers for grain shipments in the Gulf and investing in specialist vessels, such as car carriers or heavy lift ships.

These ideas are still at the research stage, but the first would, if implemented, presumably have to involve UASC in a general tramp shipping operation as it could hardly operate shipping economically purely on the erratic patterns of grain movements to the Gulf.

With or without these ventures, though, there can be no doubt in the minds of the European, Japanese and American shipping companies which have dominated these routes that UASC is emerging alongside other ambitious developing country national lines, as a formidable challenge to the industry's traditional balance of power.

## Alcoa Australia smelter plans

BY JAMES FORTH

SYDNEY, Nov. 29.

ALCOA of Australia, the major integrated aluminium group, plans to spend A\$85m (US\$98.6m) to expand its aluminium smelter at Pt. Henry in Victoria. Alcoa will add a third potline to the smelter which will lift capacity from 112,000 tonnes a year to 164,000 tonnes of aluminium metal a year to 164,000 tonnes.

Most of the additional tonnage will be shipped to overseas markets, mainly Japan and South East Asia. At present Alcoa exports about 35 per cent of its production but this is expected to rise to around 50 per cent when the expansion is completed.

The expansion will make Pt. Henry the largest of the existing three smelters. At present Alcoa's major rival, Comalco, is in the lead with its 112,000 tonnes a year plant at Bell Bay in Australia.

Alcoa Australia has a much smaller smelter near Newcastle in New South Wales, which is in the midst of expanding capacity from 50,000 tonnes a year to 75,000 tonnes. Comalco heads a

consortium which is planning a A\$400m smelter at Gladstone Queensland with an output of 180,000 tonnes a year.

The Govt consortium, which operates a bauxite-alumina project in The Northern Territory, is considering building a smelter of at least 35,000 tonnes a year and possibly more than 150,000 tonnes, while Alcoa-owned by Amal of the U.S. and Mitsui of Japan—is studying proposals for a 200,000 tonnes a year smelter in NSW. Alcoa at present is not established in Australia.

Underlining the difficulties being faced by companies, the Ministry of International Trade and Industry (MITI), in a separate report today, said that sagging exports of key products as a result of the sharp rise in the yen in the foreign exchanges drove industrial production in October down and adjusted 0.1 per cent from September—the second decline in four months, following a 0.8 per cent decrease in July.

The industrial output report is preliminary, but indicates that export performance is worse than previously expected. A MITI survey of company output plans earlier had projected a 2.3 per cent gain for October. Shipments also fell, by 1.5 per cent, the first monthly drop since July while inventories showed an increase of 0.6 per cent—the first monthly expansion in six months.

Meanwhile, the Bank of Japan reports that wholesale prices at mid-November had moved higher for the second ten-day period in a row, by 0.1 per cent, as a decline in the yen's value boosted prices for crude oil and other imports. The price index at 102.7 (base 100 in 1975), down 3.2 per cent from a year ago.

Underlining the difficulties being faced by companies, the Ministry of International Trade and Industry (MITI), in a separate report today, said that sagging exports of key products as a result of the sharp rise in the yen in the foreign exchanges drove industrial production in October down and adjusted 0.1 per cent from September—the second decline in four months, following a 0.8 per cent decrease in July.

The industrial output report is preliminary, but indicates that export performance is worse than previously expected. A MITI survey of company output plans earlier had projected a 2.3 per cent gain for October. Shipments also fell, by 1.5 per cent, the first monthly drop since July while inventories showed an increase of 0.6 per cent—the first monthly expansion in six months.

Meanwhile, the Bank of Japan reports that wholesale prices at mid-November had moved higher for the second ten-day period in a row, by 0.1 per cent, as a decline in the yen's value boosted prices for crude oil and other imports. The price index at 102.7 (base 100 in 1975), down 3.2 per cent from a year ago.

Underlining the difficulties being faced by companies, the Ministry of International Trade and Industry (MITI), in a separate report today, said that sagging exports of key products as a result of the sharp rise in the yen in the foreign exchanges drove industrial production in October down and adjusted 0.1 per cent from September—the second decline in four months, following a 0.8 per cent decrease in July.

The industrial output report is preliminary, but indicates that export performance is worse than previously expected. A MITI survey of company output plans earlier had projected a 2.3 per cent gain for October. Shipments also fell, by 1.5 per cent, the first monthly drop since July while inventories showed an increase of 0.6 per cent—the first monthly expansion in six months.

## Improved results in Japan

BY RICHARD C. HANSON

TOKYO, Nov. 29.

JAPANESE COMPANIES are continuing to show an overall increase in profits despite the deflationary impact of export controls, general economic uncertainty and a worsening of conditions in structurally weak sectors, such as shipbuilding, according to a survey of September half-year earnings by the economic newspaper, Nihon Keizai Shimbun.

A compilation of earnings from 830 companies listed on the three major Japanese stock exchanges (excluding financial institutions) shows net profit in the September half up an average of 0.3 per cent from the prior quarter, when they gained 11.2 per cent. The projection for the current half, ending March, is for a third successive half-year gain, of 9.3 per cent.

Pre-tax operating profit in the September half was up 6.8 per cent over the prior half, but expected to gain only 1.4 per cent in the March half-year, as electric power companies have agreed to make a return to consumers out of their heavy exchange profits, through some price reductions. Excluding the electric power sector, however, profits would be up 6.7 per cent by March.

The Nihon Keizai earnings survey revealed that sales in the September half-year fell 3.1 per cent from the March half-year, in which they rose 1.2 per cent. Sales are expected to be up 5.4 per cent this half-year.

Much of the increase in profit is the result of factors unrelated to operating performance, such as exchange gains from cheaper imports, sales of securities and rationalisation of operations. The steel sector, for example, had a 22.7 per cent increase in pre-tax operating (current) profits, but this resulted in part from the low levels of profitability in the prior half-year, when many steel companies were forced to sell large amounts of securities in order to show a gain.

This has led to the curious situation of many companies showing declining revenues while operating profit registers gains. Of the 830 companies surveyed, 42.6 per cent showed both sales and operating profit increases. But 16.3 per cent reported that revenues were down and profits up. Of the remaining companies, 29.9 per cent had both sales and profit declines, and 10.6 per cent had a profit dip despite an increase in revenues.

Meanwhile, the Bank of Japan reports that wholesale prices at mid-November had moved higher for the second ten-day period in a row, by 0.1 per cent, as a decline in the yen's value boosted prices for crude oil and other imports. The price index at 102.7 (base 100 in 1975), down 3.2 per cent from a year ago.

Underlining the difficulties being faced by companies, the Ministry of International Trade and Industry (MITI), in a separate report today, said that sagging exports of key products as a result of the sharp rise in the yen in the foreign exchanges drove industrial production in October down and adjusted 0.1 per cent from September—the second decline in four months, following a 0.8 per cent decrease in July.

The industrial output report is preliminary, but indicates that export performance is worse than previously expected. A MITI survey of company output plans earlier had projected a 2.3 per cent gain for October. Shipments also fell, by 1.5 per cent, the first monthly drop since July while inventories showed an increase of 0.6 per cent—the first monthly expansion in six months.

Meanwhile, the Bank of Japan reports that wholesale prices at mid-November had moved higher for the second ten-day period in a row, by 0.1 per cent, as a decline in the yen's value boosted prices for crude oil and other imports. The price index at 102.7 (base 100 in 1975), down 3.2 per cent from a year ago.

Underlining the difficulties being faced by companies, the Ministry of International Trade and Industry (MITI), in a separate report today, said that sagging exports of key products as a result of the sharp rise in the yen in the foreign exchanges drove industrial production in October down and adjusted 0.1 per cent from September—the second decline in four months, following a 0.8 per cent decrease in July.

The industrial output report is preliminary, but indicates that export performance is worse than previously expected. A MITI survey of company output plans earlier had projected a 2.3 per cent gain for October. Shipments also fell, by 1.5 per cent, the first monthly drop since July while inventories showed an increase of 0.6 per cent—the first monthly expansion in six months.

Meanwhile, the Bank of Japan reports that wholesale prices at mid-November had moved higher for the second ten-day period in a row, by 0.1 per cent, as a decline in the yen's value boosted prices for crude oil and other imports. The price index at 102.7 (base 100 in 1975), down 3.2 per cent from a year ago.

## Japanese hold more foreign securities

TOKYO, Nov. 29.

ACQUISITIONS of foreign securities by Japanese investors during the first-half of the 1978-79 fiscal year, ended 33.79 per cent, a sharp increase on the 36.0m acquired in the same period of the previous year, the Finance Ministry announced. The total also exceeds the past yearly record of 32.24bn in 1973-74.

The sharp rise was caused by growing interest differentials between Japan and the U.S., availability of surplus funds for Japanese corporations and institutional investors, and the belief that the Yen's appreciation had

reached its peak, the Ministry said. The bulk of the investments was in three-month to six-month U.S. Treasury bills, and long-term U.S. Government and corporate bonds while interest in U.S. stocks was low because of a boom in the Japanese stock market.

Securities sources said the investors included industrial and business corporations and trading houses as well as life and non-life insurance companies, smaller financial institutions, and other institutional investors. They pointed out that the

secondary market yield of three-month U.S. Treasury bills is about 8 per cent compared with a three month deposit rate of 2.5 per cent at Japanese banks while long-term dollar bonds in the U.S. yield about 9 per cent compared with slightly above 8 per cent for national bonds in Japan.

The recent recovery of the U.S. dollar after the announcement of President Carter's defence package had further increased Japanese investor interest in U.S. bonds.

## Woolworths to accept NZ bid

BY DAI HAYWARD

WELLINGTON, Nov. 29.

WOOLWORTHS of Australia, the parent company of Woolworths (NZ), intends to accept the recent takeover offer from the New Zealand grocery and food chain, L. D. Nathan. Woolworths will retain its shares in the Nathan group, acquired as part of the take-over deal. The take-over, which still has to be approved by the New Zealand Commerce Commission,

should increase Nathan's profitability, giving Woolworths a sound investment, says the Woolworths' chairman, Sir Theo Kelly. The profit after tax of Woolworths (NZ) this year rose 50 per cent to NZ\$1.2m (US\$1.3m). Although sales were sluggish early in the year, they recovered strongly in the second six months.

## Profits rise at Wearne Brothers

BY H. F. LEE

SINGAPORE, Nov. 29.

WEARNE BROTHERS, a leading motor trader in Singapore and in Malaya, has reported a 15 per cent improvement in profit for the year to September. Post-tax profit was S\$17.1m (US\$7.7m), against S\$14.8m in the previous year. The turnover rose by 19 per cent to S\$350.7m (US\$159m). However, Wearne said, profit margins were under pressure, so that the

group's profits did not rise in line with increased sales and unit volume. Wearne has declared a second interim dividend (in lieu of a final dividend) of 12 per cent. The total distribution for the year is to amount to 17 per cent, compared with the equivalent of 14.67 per cent for the previous year after adjusting for a bonus issue in January.

## Rand Mines Properties sees gain

JOHANNESBURG, Nov. 29.

AN EXPECTED minor improvement in the property and timber markets in 1979 could lead to a small increase in taxed profits of Rand Mines Properties, the company's chairman, Mr. J. B. Marce said in the annual report. Profitability in 1979, he said, would be affected by a higher tax change because many of the

tax shields of subsidiary companies were substantially utilised by the end of September this year. In the year to September 30 pre-tax profit was R4.1m (84.7m), while earnings per share totalled 29.9 cents and the dividend distribution was 15 cents.

New Issue  
November 30, 1978

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
Washington, D. C.

DM 400,000,000  
6 1/4% Deutsche Mark Bonds of 1978, due 1988

Interest: 6 1/4% p. a., payable annually on December 1  
Offering Price: 99 1/2%  
Repayment: on December 1, 1988 at par  
Listing: at all German stock exchanges

Deutsche Bank  
Aktiengesellschaft

also for  
Deutsche Bank Berlin  
Aktiengesellschaft

Dresdner Bank  
Aktiengesellschaft

also for  
Bank für Handel und Industrie  
Aktiengesellschaft

Commerzbank  
Aktiengesellschaft

also for  
Berliner Commerzbank  
Aktiengesellschaft

Westdeutsche Landesbank  
Girozentrale

Allgemeine Deutsche Credit-Anstalt

Badische Kommunale Landesbank  
— Girozentrale —

Bayerische Landesbank  
Girozentrale

Berliner Bank  
Aktiengesellschaft

Bremer Landesbank  
Aktiengesellschaft

Deutsche Bank Saar  
Aktiengesellschaft

Deutsche Länderbank  
Aktiengesellschaft

Effectenbank-Warburg  
Aktiengesellschaft

Handels- und Privatbank  
Aktiengesellschaft

Hessische Landesbank  
— Girozentrale —

Landesbank Rheinland-Pfalz  
— Girozentrale —

Merck, Finck & Co.

Norddeutsche Landesbank  
Girozentrale

Reuschel & Co.

Schröder, Münchmeyer, Hengst & Co.

J. H. Stein

M. M. Warburg-Brinckmann, Wirtz & Co.

Bankhaus H. Aufhäuser

Bank für Gemeinwirtschaft  
Aktiengesellschaft

Bayerische Vereinsbank

Berliner Handels- und Frankfurter Bank

Richard Daus & Co., Bankiers

DG Bank

Deutsche Genossenschaftsbank

Deutsche Unionbank G.m.b.H.

Hellbaum, Maier & Co.

Hardy-Sloman Bank GmbH

von der Heydt-Kersten & Söhne

Landesbank Saar Girozentrale

B. Metzler, Seel, Sohn & Co.

Oldenburgische Landesbank  
Aktiengesellschaft

Gebr. Röchling Bank

Schwäbische Bank  
Aktiengesellschaft

Trinkaus & Burkhart

Westfalenbank  
Aktiengesellschaft

Baden-Württembergische Bank  
Aktiengesellschaft

Bayerische Hypotheken- und Wechsel-Bank

Joh. Berenberg, Gossler & Co.

Bankhaus Gebrüder Bethmann

Delbrück & Co.

Deutsche Girozentrale  
— Deutsche Kommunalkbank —

Conrad Hinrich Donner

Hamburgische Landesbank  
— Girozentrale —

Georg Hauck & Sohn

Kommhaus Hermann Lampe





# Royal Bos Kalis Westminster Group N.V.

of Sliedrecht, The Netherlands.

issue of

354,693 registered shares/exchangeable bearer depositary receipts

of shares of Dfls 10.— nominal, fully ranking for dividend distributions for 1979 and subsequent years. It is intended to make another bonus issue in shares from the tax-free share premium reserve in 1979, in addition to the dividend distributions for 1978. The shares/exchangeable bearer depositary receipts which are in issue at present, will participate in any such distribution. The number of exchangeable bearer depositary receipts of shares will be increased to the extent necessary in connection with the conversion of subordinated convertible debentures.

Issue price

Dfls 105.— per registered share/exchangeable bearer depositary receipt of share of Dfls 10.— nominal.

rights

the subscription will be open -subject to the provisions of article 8, sections 1 (c), 2 and 3 of the articles of association- exclusive to holders of dividend coupon no. 14 of the registered shares/exchangeable bearer depositary receipts at the rate of Dfls 10.— nominal of new capital for Dfls 60.— nominal of existing capital. Shareholders, whose names appear in the shareholders register are entitled to the same rights and will receive a circular to that effect from Royal Bos Kalis Westminster Group N.V.

dealings in rights

from Thursday, November 30, 1978.

subscriptions

must be submitted before 3.00 p.m. on Thursday, December 7, 1978, on the basis of the terms and conditions contained in the prospectus of November 28, 1978 at the counters of the undersigned in Amsterdam, Rotterdam, The Hague and Sliedrecht, in so far as established there, where prospectuses and subscription forms in the Dutch language, as well as to a limited number -copies of the articles of association and the 1977 annual report of Royal Bos Kalis Westminster Group N.V., will be available.

payment date

Thursday, December 21, 1978.

amsterdam-rotterdam bank n.v.

algemene bank nederland n.v.

bank mees & hope nv

coöperatieve centrale raiffeisen-boerenleenbank b.s.

nederlandsche middenstandsbank n.v.

pierson, heldring & pierson n.v.

n.v. slavenburg's bank

Amsterdam/Utrecht/Rotterdam, November 28, 1978.

## BANCO DE SANTANDER

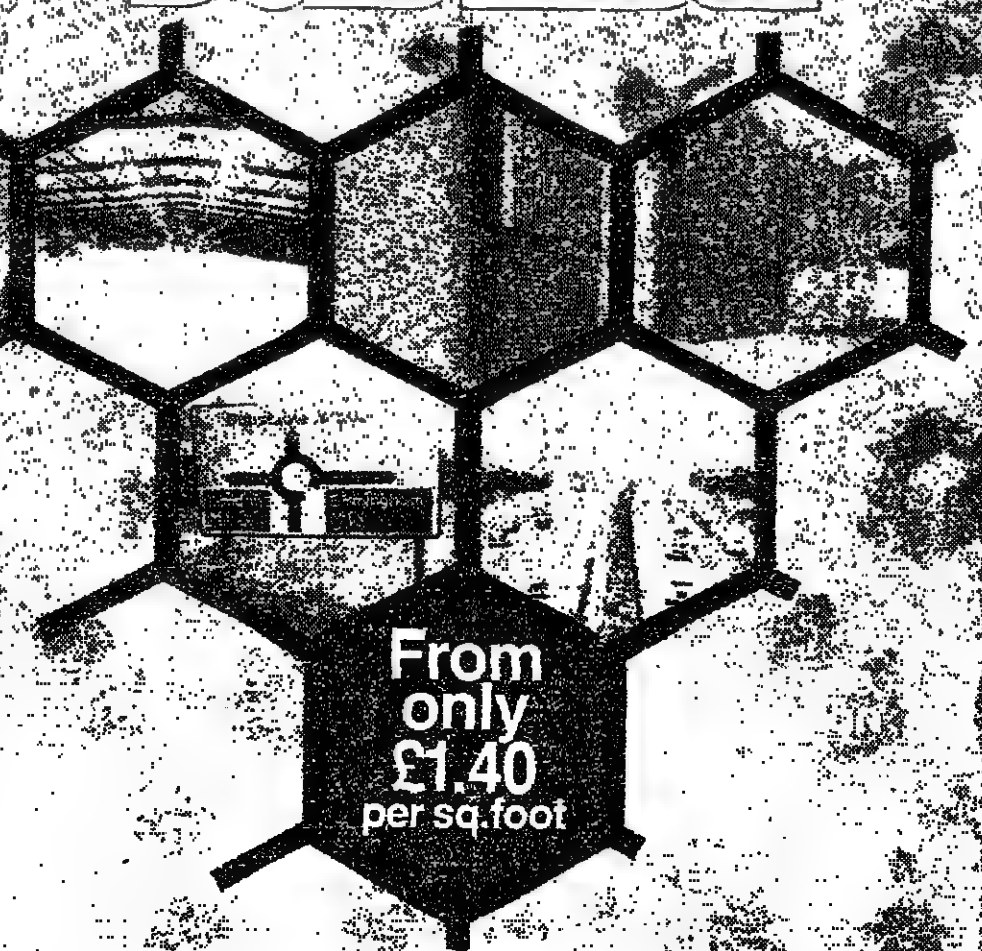
has acquired a majority shareholding in

## BANCA JOVER

The undersigned assisted BANCO DE SANTANDER in this transaction

Banque Rothschild

## DUNSTABLE



From only £1.40 per sq. foot

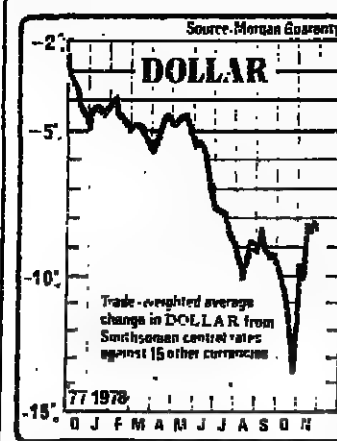
Fairview

مكتبة الأصيل

## Currency, Money and Gold Markets

### \$ falls after trade figures

Trading in yesterday's foreign exchange market fell basically into two parts, before and after the announcement of the U.S. trade figures for October. Early trading saw the dollar drift slightly easier in very subdued conditions. The \$2.13bn trade deficit was a little worse than expected. Most projections had been pitched between \$1bn and \$2bn after September's deficit of \$1.69bn. After the announcement, the dollar declined, but finished slightly above its worst levels. In terms of the D-mark it fell to DM 1.9190 at one point before recovering at the close to DM 1.9210, still down on Tuesday's



close of DM 1.9278. Similarly the Swiss franc touched SwFr 1.7170 before easing to SwFr 1.7205, again well up on the previous close of SwFr 1.7390. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened to 8.4 per cent from 8.2 per cent on Tuesday. On Bank of England figures, its index fell from 83.1 to 84.9. Sterling opened at \$1.9450-1.9460 and briefly touched \$1.9440 before settling at \$1.9475 around lunchtime. With the trade figures affecting the dollar, sterling improved soon after the announcement to \$1.9530, but with the dollar coming back slightly at the close, the pound finished at \$1.9510-1.9520, a rise of 25 points from the previous close. Against other major currencies, sterling showed a slight improvement on balance and its trade weighted index on Bank of England figures improved to 82.7 against

THE POUND SPOT				FORWARD AGAINST £			
Nov. 28	Bank rate	Day's Spread	Close	One month	Three months	Six months	One year
U.S. \$	1.9400-1.9460	1.9370-1.9390	1.9370-1.9390	1.9370-1.9390	1.9370-1.9390	1.9370-1.9390	1.9370-1.9390
Canadian \$	1.2840-1.2850	1.2810-1.2830	1.2810-1.2830	1.2810-1.2830	1.2810-1.2830	1.2810-1.2830	1.2810-1.2830
Swiss Fr	1.7170-1.7180	1.7140-1.7160	1.7140-1.7160	1.7140-1.7160	1.7140-1.7160	1.7140-1.7160	1.7140-1.7160
Deutsche Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
French Fr	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Italian Lira	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Japanese Yen	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Port. Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Belgian Franc	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Dutch Guilder	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Austrian Sch.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Swedish Krona	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Norwegian Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Denish Kr.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Finland Mark	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Irish P.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Portuguese Esc.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180
Spanish Pes.	1.9190-1.9200	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180	1.9160-1.9180



مکتبہ اسلامیہ

## INVOICE DISCOUNTING —FUNDS REQUIRED

**WILDLIFE SAFARI** Organisation wishes to purchase 1 A.T.A. Travel Agency. Please contact Mrs. A. Reeves Clacton-on-Sea (0255) 21303 daytime. Frinton-on-Sea (02556) 3774 evenings.



Thursday November 30 1978

Cricket  
the  
major  
passion

By John McCaughey

BARBADOS, IT is generally conceded, remains the most British of the many islands that England once owned in the Caribbean. But, in fact, one suspects that it might really have been colonised largely by the Irish: so good-humoured, easy-going, polite and literate is the populace.

Discovered and promptly abandoned by the Portuguese in 1536 (they gave it its name because a species of local fig tree, with roots running from the branches to the soil, reminded them of an old man's beard), Barbados was first settled by the British in 1625 when the somewhat inept captain of a colonists' ship called the Olive Blossom ended up there as a result of a series of navigational errors. The English stayed anyway and, from then until independence in 1966, no flag but the Union Jack ever fluttered above the island.

## Fanatics

One consequence of this has been the evolution of a nation of cricket fanatics. All West Indians are passionate about cricket, but Barbados has distinguished itself by producing the legendary Sir Gary Sobers and by (with most uncommon restraint) having somehow contrived to be the only island in the Caribbean that has never undergone a riot because of a test match.

The failure to riot denotes no slackening of enthusiasm. Balance of payments problems, unemployment and even religion

take a very poor second place among all levels of the population to conversation on cricketing topics. Most weekends of the year, more than a hundred full-scale matches take place on the crowded little island—games which frequently involve the humiliation of a visiting British side, which has allowed itself to be weakened by the sun or by the local "Eclipse" rum.

Its reputation as a cheerful, cricket-mad island-in-the-sun has greatly assisted the marketing efforts of tourism officials, and tourism is now the country's principal industry. Impressed by an infrastructure that few developing countries can match, tourists tend to recommend the island to friends. And the "repeat-visitor" factor (a significant indicator in the highly-competitive Caribbean market) is high in Barbados.

As they celebrate the 12th anniversary of their independence today, Barbadians are by and large feeling pleased with the state of their nation. The economy is generally considered to be in better shape than it has been in recent years (or than it is in the majority of neighbouring islands), and it is certainly in better shape than a glance at the island's small size and meagre resources would suggest.

Prime Minister J. M. G. (Tom) Adams, a 47-year-old barrister and leader of the Barbadian Labour Party (BLP), won a convincing victory in the September, 1976 general election,

which ended 15 years of government by Mr. Errol Barrow's rival Democratic Labour Party (DLP). Although he has suffered one by-election defeat in the meantime (largely as a result of a lacklustre candidate and the unpopular economic measures he introduced shortly after coming to power), Mr. Adams retains an authoritative 10-seat majority in the 24-seat House of Assembly. He does not have to go to the polls again until 1981.

## Differences

The BLP election victory can probably be traced more to a widespread feeling of it being "time for a change" than to anything else, because few ideological differences are detectable between the two main parties. The DLP claims to be more "socialist" than the BLP "businessman's party," but they are both organised along broadly similar social democratic lines, and the opposition has not come out with any serious alternatives to the present Government's economic policies.

Fulfilling a pledge delivered in the heat of the election campaign, the Prime Minister appointed Sir Herbert Duffus, a retired Jamaican Chief Justice, to conduct a one-man inquiry into the financial dealings of the DLP Government between 1961 and 1976.

Sir Herbert's report will be delivered to the Government shortly but it is considered unlikely that he will have un-

covered any "Barbados Water-gate." "I would not be surprised if he has found considerable evidence of incompetence," one businessman wryly observed to me, "but incompetence is hardly an actionable offence by politicians. I doubt if there's evidence of any real corruption."

This view is shared by the Democratic Labour Party, which has loudly protested its innocence and says that it is serenely unconcerned by any revelations which may be contained in the report.

A more serious worry facing the island is its unemployment. Now running at around 18 per cent (much higher among the under-25s), unemployment is a Caribbean-wide problem that is aggravated in Barbados by a bulge in the number of young people coming on to the job market.

The Government is vigorously pursuing a policy of attracting labour-intensive industries, but it faces considerable competition from other countries with a similar goal, as well as the long-term threat of vociferous protectionist lobbies in the West closing their markets to industries (such as textiles and electronics) which have been established in Barbados in recent years.

One scheme which the Government has adopted to fight unemployment has been the introduction of a 2½ per cent payroll levy on larger companies. The levy is part of a complex, three-year plan which provides tax rebates to companies that boost their work-

force by 8 per cent per annum. The levy has been bitterly attacked by local businessmen ("a stick rather than a carrot," said one of them indignantly), who deny that it is an incentive for any real increase in employment. Frenzied arguments about its usefulness (complicated by technical differences of opinion on the accuracy of official measurement of the labour force and unemployment) continue to reverberate throughout the island.

The row has marred the normally cordial relations between the business community and a Government that is firmly committed to the idea of a thriving public sector, and it is doubtful whether the levy's marginal efficacy is worth the ill-feeling to which it has given rise.

Another source of friction between the Government and the private sector is the rate at which wages have been increasing. Earlier this year, the Prime Minister spoke of keeping wage rises down to about 5 per cent—but the target has been greeted with about as much enthusiasm as Ford workers in Britain recently greeted towards Prime Minister Callaghan's 5 per cent guideline.

The country's 16,000 civil servants were recently granted pay rises of more than 20 per cent over two years (although they had had a 15 per cent rise in 1977 and a 30 per cent one the year before), sugar industry workers earlier this year obtained a 15 per cent increase and the Barbados Workers

Union is now suggesting that a 33 per cent offer for hotel workers would be favourably received.

The Prime Minister has said that the civil service increase was granted not because he has abandoned the idea of wage restraint but because "the economy has improved so much. This argument, though, does little to alleviate anxieties that the Barbadian inflation rate of around 5 per cent is likely to soar when the wage rises feed through the economy. The Government, in effect, seems to have no real wage or price restraint policy at the moment.

## Successful

While unemployment among under-25s on the island is high and the number of people in this age group entering the job market will increase dramatically over the next five years, the rate should fall off sharply thereafter. This is thanks, in part, to a successful, Government-sponsored birth control programme which has brought the birth rate down to less than 1 per cent per annum at the moment (far below the 2.4 per cent that obtains on average in developing countries).

Illegal immigration, which used also to pose problems by swelling the labour force, is now much reduced, largely thanks to the rapid development of neighbouring St. Lucia as it approaches independence.

The most sensational instance of "illegal immigration" that

one local newspaper managed to uncover in an article recently was the allegation that regiments of American marines were coming to the island on tourist visas and inveigling young Barbadians working in the hotel industry to enter into marriages of convenience with them. This, the newspaper claimed, was designed to facilitate the Americans being issued with residence permits and to enable them to retire to the sunny charms of Barbados.

If any real criticism is to be levied at Barbados, however, perhaps it must be that the place contrasts too sharply with the turbulent, tropical ambience of the Caribbean.

Surrounded by islands that are at times violent and frequently politically unstable, some of which are experimenting with bizarre forms of post-colonial development "Baj" (as its natives affectionately abbreviate its name) progresses with every sign of contentment along old-fashioned grooves of parliamentary democracy and a mixed economy.

Determinedly British, it is divided into 11 parishes, called by such reassuring names as St. Thomas and St. James, and it is quite happy with its achievements. It has the third-lowest unemployment rate in the Commonwealth, the highest (98 per cent) literacy rate in the region, no racial tension and in Wall Street terms, "a reputation for respectability." It is generally known in Barbados as a "good island."

There are no political prisoners and—despite a trend evinced recently by Prime Minister Adams of holding himself aloof from the Press in the manner of Dr. Eric Williams in Trinidad—the administration probably approves more closely to "open government" than do most surrounding regimes.

The Caribbean as a whole has a turbulent political history, and islands often changed nationality, between breakfast and bedtime, as the great powers waged their colonial wars. Each West Indian nation is strikingly different in temperament to the others, and the natives of one island rarely have anything sinister to say about the inhabitants of another.

Barbados' only had one colonial owner, and its British settlers tended to be (especially in the sugar industry) resident rather than absentee landlords. Its "my thesis," speculates Central Bank Governor Dr. Courtney Blackman, "that this has produced a basic respect for 'stability' in social cohesion." People in Barbados tend not to give the other man up against the wall. They will step away and give him a chance to get out. They're quite happy with his achievements. It has the third-lowest unemployment rate in the Commonwealth, the highest (98 per cent) literacy rate in the region, no racial tension and in Wall Street terms, "a reputation for respectability." It is generally known in Barbados as a "good island."

What Dr. Blackman, a former economist with the Irving Trust in Wall Street, terms "confidence in the government" is, in essence, being able to administer capably what is generally known in Barbados as a "good island."

Its newspapers are free, there's cricket.

## Message from The Rt. Honourable J.M.G. Adams M.A. Prime Minister of Barbados on the occasion of the Twelfth Anniversary of the Independence for Barbados

Barbados celebrates the 12th anniversary of its independence on November 30th, 1978 at a time when there are grounds for cautious optimism about its future economic prospects.

In the period immediately following the energy crisis and the onset of global inflation, living standards in the island declined. The economy of Barbados began to recover in 1976 not only because most of the economies of the industrialized world were beginning to recover from the economic recession of 1974-75, but also because of specific measures by the Central Bank to curb excessive expenditure on the importation of non-essential items. Recovery continued through 1977 during which time the decline in living standards was reversed and GDP per capita at current prices grew by at least 9% to reach BDS\$2,987 as against BDS\$2,728 in 1976. This position has been well sustained in 1978 and the outlook for 1979 is for accelerated economic growth.

All main indicators suggest that many of the key weaknesses in the economy which persisted even during the 1976-77 period of recovery are being overcome in 1978. The economic growth in 1978-79 which to a large extent was stimulated by expansion of domestic demand had been accompanied by persistent weakness in the balance of payments and in Government's own finances. However, the package of economic policies which were introduced during the last two years are bearing fruit. Our external payments position has improved and a much stronger public finance performance is evident.

The imposition of credit controls and the restriction of consumer spending by the Central Bank together with the curtailment of imports of a number of non-essentials have resulted in a shift in the structure of imports away from consumer durables and towards intermediate and capital goods for the country's thriving productive sectors. At the same time, Government's programme of export promotion and the introduction of export credit and guarantee schemes by the Central Bank have led to substantial increases in exports of manufactured goods.

## MANUFACTURING

In fact, the manufacturing sector has become a key earner of foreign exchange and a provider of employment at a time when the world market price of sugar continues to fluctuate at relatively low levels.

Government expects that the sector's output of goods will increase by approximately 19% per annum over the next five years while the increase in exports of manufactured goods is expected to be approximately 20% per year over the same period. These projections are contained in the new sectoral Development Plan of the Barbados Industrial Development Corporation—an organization which is largely responsible for the manufacturing sector's achievements so far.

## OFFSHORE FINANCIAL FACILITIES

The preparation of a Financial Institutions Bill to replace the current Banking Act is now in its final stages and will be introduced into Parliament not later than the end of 1978. The draft Bill, which is being prepared with the technical assistance of the I.M.F. is intended to regulate the activities of all institutions, both local and foreign, which offer banking and trustee services. Supervision of these institutions will be a function of the Central Bank of Barbados.

The objectives of this Bill are to protect and enhance the financial reputation of Barbados by carefully defined standards of structure and operations. The Bill is designed to provide for the operation of Banks, trust companies, and financial companies operating in and catering to persons doing business in Barbados and those doing business from within Barbados but catering to the international community including Barbados. It provides for a clear distinction between the two types of institutions. However in both cases great consideration has been given to the protection of the client whether resident or non-resident.

This new legislation will be particularly attractive to investors seeking tax-haven banking and trustee facilities since it provides within a very stable free and democratic political environment all the major criteria; rigid standards of performances, confidentiality and protection of the identity of the client, even from the Central Bank of Barbados, a minimal rate of income tax and complete exemption from Property Transfer Tax and Estate and Succession Duties in respect of property and investments held in or derived from sources outside of Barbados.

It is also intended that these institutions will be granted specific exemptions from Exchange Control Regulations pertaining to international movement of currencies, transactions in foreign securities and the holding of gold.

## DEVELOPMENT PLAN

The Government is currently preparing a Development Plan for the years 1978-82 which it intends to publish in the first quarter of 1979. This document is being prepared against a clear background of the likely level of financial and other resources available to Government and hence projects are rated in terms of their calculated contribution to the overall process of economic development.

The Development Plan seeks to further diversify the Barbadian economy. It emphasizes export promotion with export manufacturing playing a pivotal role. Diversification in agriculture will aim at satisfying local demand thus reducing the high food import bill. The Plan also sees further development of the tourist sector as being crucial to Barbados' economic progress. Steps will be taken to reduce the seasonality now experienced by this sector which will have direct employment and balance of payment benefits. Government is committed to the maintenance of a mixed economy in which active public sector participation is intended to support rather than supplant private enterprise.

## EMPLOYMENT

Barbados has for some years suffered from levels of unemployment much higher than in the 1960-70 decade when it varied from just over 70% to just under 10%. It has always been more marked among women than men.

There has however been a fall in the level of unemployment in the last two and a half years. During October to December of 1975 unemployment stood as high as 22.5%, but by 1977 the figure was 15.8%. Unemployment among men fell to 10.6% in 1977 against 12.1% in 1976, although for the period July to December 1977 unemployment among women was 23.0%. A

sharper downward trend has since been recorded with figures for the first quarter of 1978 continuing to fall, showing unemployment among men at 9.4% while the figure for women was 16.1%. The overall unemployment rate was 12.4%, showing improvement over the 15.2% experienced during the corresponding period in 1977.

## SOCIAL SERVICES

No nation can produce at its optimum level if the health status of its population is poor. The Government of Barbados is fully aware of this and although Government per capita expenditure on Health Services is one of the highest in the developing world, it is seeking a qualitative advance in providing health services for all. This will be achieved through the erection of a number of polyclinics as a first phase as part of a comprehensive National Health Service and a National Drug Scheme. The main objective of the National Drug Scheme is to reduce the cost of drugs to the consumer without compromising quality through bulk-purchasing, storing, packaging and distribution. Government will introduce a formulary for use in all Government Health Care Institutions and drug outlets.

The National Health Service which will be financed by contributions from employers and employees will operate within the framework of the existing National Insurance Scheme. The price of drugs to the health consumer will be reduced and standardized. Furthermore, patients will be assigned to a physician of their own choice who will be paid on the British model, on a "capitation fee basis." It is expected that medical practitioners will support this self-financing scheme which aims at reducing the cost of health services to the health consumer.

Barbados has always enjoyed a high standard of education. The present Government, which came to power in 1976, raised the school leaving age from 14 to 16 years thereby allowing the late-achiever a longer time to benefit from the classroom environment. A large new Polytechnic Institution will soon be under construction

aimed at giving total facilities for youths to be trained in technical fields.

At all Government Institutions right up to university, education is free to students. So too are the textbooks at both primary and secondary levels and school meals are provided at a nominal cost at the primary level. Furthermore, Government has recently increased its aid to private approved schools and grants some tax reliefs to parents who pay fees at these schools. In 1978, these schools were accommodating 24.6 per cent of students at secondary level and indications are that private schools will continue to shoulder some although a declining portion of the task of education.

## PHYSICAL DEVELOPMENT

Government's construction programme in the next four years should see major new roads being built for the first time in 15 years and existing roads improved. Public sector housing projects are already underway while commercial banks are encouraged to make loans available for private sector housing as part of a total housing plan aimed at rehousing 5% of the population annually.

It is clear that the achievement of all these goals will not be an easy task. However, the various Ministries are enthusiastic and with proper planning, the task can be accomplished. To this end, a new department—The Public Investments Unit—has been set up in the Ministry of Finance and Planning. It will monitor major Government projects so that time lags are kept to a minimum and efficiency is assured.

Barbados moves towards the 1980s aiming at a substantial reduction of unemployment, improving its Balance of Payments and continuing to keep the economy in a "foreign reserve credit position; and keeping the rate of inflation, which has now been running at a rate of 5-8% annually for three years, at a tolerable level. And this, I am confident, will be achieved within the framework of a mixed economy, social democracy, political freedom and a viable welfare state that cares for its poor and aged.

For further information write to: The Office of the Prime Minister, Bay Street, Bridgetown, Barbados.

John White



# Economic good health

**BARBADIAN BUSINESSMEN** have a well-developed sense of irony. Dismaying to the passionate politics of Prime Minister Tom Adams and the elegant economics of Central Bank Governor Courtney Blackman, one of them confidently lectured me about the reasons for the island's relative economic good health.

## Truth

Lacking in respect to the Prime Minister and to the Central Bank Governor as this may be, the theory is not without a germ of truth. Barbados has witnessed recently its two neighbours fall into the sticky embrace of the International Monetary Fund. And it has had the salutary experience of observing, from a safe distance, the tough prescriptions of "conditionality" that the Fund's doctors have levied in return for coming to the rescue of the beleaguered economies. The IMF, as a result, fills the role in Barbados that is occupied in most other cultures by the busy-man.

But although the busy-man has been told that his presence is not required for the foreseeable future, it was a close enough thing at times. Like many of its neighbours, Barbados has chronic balance of

payments problems. Fuelled by high food import bills, the island has traditionally had a substantial deficit on visible trade. The 1973 OPEC oil price rise had predictable effects upon the economy and only exceptionally high sugar prices in 1974-75 brought about a reversal in the country's economic downturn.

A surge in imports in 1976, however, nearly wiped out foreign exchange reserves. The deficit on visible trade rose to \$531m and climbed again to \$534m last year. It was this which prompted savings and (at the time) highly-unpopular measures, by the newly-elected Barbados Labour Party Government of Prime Minister Adams.

Import curbs (mostly affecting Japanese motor-cars) and tight consumer credit restrictions were imposed. It is estimated that these measures will bring down this year's visible trade deficit to around \$535m and the current account deficit to some \$568m. At the same time the Government drew down a \$520m soft loan from Trinidad (negotiated in 1974) and a \$515m contribution from the IMF oil price compensatory facility.

The overall balance of payments as a result is expected to show a small surplus (of perhaps \$57m) in 1978, after deficits of \$537m in 1976 and \$519m in 1977. But serious problems still confront the Government with relation to the budget which (apart from 1975) has been in deficit since 1972. The 1977-78 deficit was a record \$533m and for 1978-79 is an estimated \$540m.

Unemployment is the other big problem plaguing the Barbadian economy. Currently standing at around 15 per cent, it is not that high by some standards in the Caribbean but it is high by Barbadian levels and is the topic of most concern to both politicians and the man on the island's omnibus.

The problem is being considerably worsened by a demographic legacy from the late 1950s. Unemployment in Barbados is most acute in the under-25 age group and between 1952 and 1960 there was a remarkable bulge in the island's birth rate. In 1960, for example, nearly 8,000 children were born in Barbados. Of these, perhaps 7,000 are still on the island and, at the age of 18, just coming on to the job market.

Things have improved considerably since then. Last year, the birth rate was at a record low of only 4,300—had news for baby food manufacturers, as the Prime Minister commented.

The 1952-60 bulge, though, will take another five years before it lessens its effect on the jobless statistics and the considerable problems which this implies are causing a great deal of worry to Government planners.

The principal strategy of the Government in dealing with the unemployment problem has been to make industrial development a priority. Tourism is now the greatest contributor to GNP, but the administration of Prime Minister Adams feels that industrial development (especially in labour-intensive

fields) will better mop up unemployment, increase exports and save foreign exchange through import substitution.

## Relief

Vigorous efforts are being expended on the industrial sector. Companies setting up on the island can obtain tax holidays of up to ten years, relief from customs duties, assistance in acquiring factory space and a number of other benefits.

An export promotion agency is being formed and high-powered missions have been sent abroad (one of them visited Britain at the end of last month) to preach the benefits of Barbados' stable government, excellent infrastructure, good communications and a literate, productive workforce.

The recently published development plan (covering the next four years) of the Barbados Industrial Development Corporation (IDC) aims at creating 5,000 new jobs per annum, making more factory space available and attracting investment by labour-intensive industries from Europe, Japan and the U.S. This year marks the 21st anniversary of the Barbadian drive for industrial development and the slogan "Onward with Industry" is being much trumpeted around the island.

The drive to establish export-oriented industries has even led the Barbadian Government to establish diplomatic relations with such unlikely partners as China, North and South Korea, Arab states and several Eastern European countries.

The bid to diversify from such traditional foreign

exchange earners as sugar and tourism has already brought about the establishment of a number of successful light industries on the island, including furniture-making, garment manufacturing and electronics assembly. More emphasis too is being placed upon encouraging locally-owned small businesses, although a number of these still lack managerial skills and get into difficulties.

Many of the new industries gear their exports to the North American market, but increasing efforts are being made to target exports to other Caribbean Community and Common Market (Caricom) states. Established in 1973 among the English-speaking Caribbean countries, the 12-member organisation (despite the striking ideological differences that exist between its members) has brought about a steady dismantling of trade restrictions and an interlocking of economies.

The balance of payments difficulties have been experienced by two of its principal members (Guyana and Jamaica) led those two countries, however, to impose import restrictions. As a result, Barbadian exports to them have fallen from their 1975 peak—although exports to the other leading Caricom member, out-rich Trinidad and Tobago, have continued to flourish.

Difficulties can be seen on the horizon, however. While these new Barbadian manufacturing industries have experienced rapid growth, they face—like similar industries in other developing countries—increasing problems with a slowdown of growth rates in the West and with the ever more vociferous protectionist lobbies in the developing world. The Barbadian textile industry, for example, has already suffered from both Caricom and Canadian import curbs.

Manufacturing industries and tourism are both largely post-World War II developments in Barbados, but agriculture—especially sugar—has been around almost since the island was discovered by the Portuguese in 1539. The prospects this year for sugar, which has now yielded its position as the leading contributor to GNP to the tourism industry, are pessimistic.

Earnings are expected to fall

because of a decrease in output and because this year's round of talks between the EEC and the African, Caribbean and Pacific (ACP) group of countries resulted in an increase of only 2 per cent in the guaranteed price for sugar imports, paid by the European Community under the Lome Convention.

Prime Minister Adams has promised a "sympathetic look at the capital needs of the industry" but the President of the Barbados Sugar Producers Association has said that the industry's future is "far from rosy".

Agriculture generally has been dogged by problems in Barbados (whose food import bill rose to \$510m last year) but a newly-appointed Minister of Agriculture has promised to have this bill during his term and considerable investments are planned in both farming and agro-industries on the island.

One optimistic sign for the future, as well, is oil. Barbados is the only Caribbean island apart from Trinidad to have oil and its 1,200 barrels-per-day production is one third of its own requirements. Any further discoveries would clearly mean a considerable saving on the country's import bill.

## Restraints

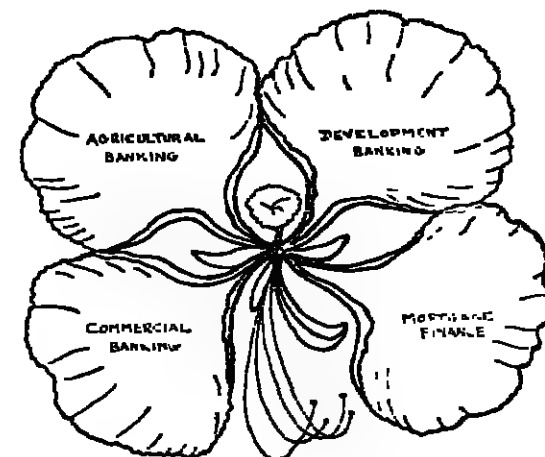
While there are many restraints upon the development of a small island like Barbados—noticeably its lack of mineral resources and its vulnerability to external economic forces—there can at the moment be detected on the island a widespread conviction that the economy is in much better shape than it was in during the final years in office of the previous government.

The Adams administration has frequently reiterated its commitment to the idea of a mixed economy and the preservation of a thriving private sector. The unpopularity of the Government generated by last year's credit curbs and import restrictions is fading and is being replaced by a sense of confidence and the realisation that—however nasty the medicine might have been—it wasn't nearly as bad as the pills which the bogey-men from the IMF would have passed around.

John McCaughey

## THE PRIDE OF BARBADOS

(Caesalpinia Pulcherrima)



We take pride in the Services which we provide through our four divisions for development of Industry and the economic resources of Barbados.

We pride ourselves on:

- Our high interest rates on savings and time deposits.
- Our low interest rates on farm plan loans.
- Our easy repayment terms on house mortgages.
- Our helpful suggestions in the area of corporate finance.

We give pride of place to viable propositions and provide free financial advice to our customers.



HEAD OFFICE: 11 JAMES STREET, BRIDGETOWN, BARBADOS, WEST INDIES.  
CABLE: "NATBANK" BARBADOS.

## Industrial expansion needed to combat unemployment

**INDUSTRIAL DEVELOPMENT** in Barbados has just come of age. It is exactly 21 years since the Government of the island formally set up what is today called the Industrial Development Corporation. In defining it, the enabling legislation states that the corporation is "to stimulate, facilitate and undertake the development of industry."

In the years that have gone since those early days of planning, Barbados has seen the setting up of eight industrial parks, as well as independent factories spread all over the 164 square mile island. From these shops "made-in-Barbados" goods are produced for both local and overseas use.

The island people never had a natural interest in industrial expansion. The original business sector which was not committed to the sugar industry spent its energies on the import and distributive trades, which

carried little or no risk. Out of this tradition has developed a manufacturing sector that is largely an enclave enterprise, with heavy dependence on export factors. The new and high-risk endeavours associated with industrial activity have still not attracted traditional businessmen, who from generation to generation remained either in agriculture or trading. The absence of professional management skills also hindered earlier growth of the industrial sector. But much has changed in the last 21 years.

The rate of growth is not as spectacular as tourism, or as sustained as sugar, but this third plank of the Barbados economy has been an important one. Twenty-one years ago the number of manufacturing industries in Barbados could literally be counted on one hand. Today 128 factories employ 15,000 persons—more than in any

other single sector except government.

The contribution of manufacturing to the gross domestic product in 1957 was less than 5 per cent. Last year it was 11.4 per cent higher than that of the tourist sector (10 per cent) and only slightly less than the 11.5 per cent contributed by the agriculture sector.

Manufacturing in recent years has expanded job opportunities more rapidly than any other sector. Much of the demand which created this growth in the last three years relates directly to external demand for products such as electronic components and sporting goods, largely destined for the North American market.

In this area manufactured goods have been making an increasing contribution. In 1966 sugar contributed 67.5 per cent of total visible exports while manufacturing goods accounted for only 9.4 per cent. Ten years later in 1976, the latter accounted for 33.0 per cent, compared to 34.9 per cent by sugar. (The value of Barbados' exports increased by an average of 26.8 per cent per annum over the same period, but the deficit in the balance of trade worsened.)

## Attract

Each year for the next four years, Barbados hopes to attract to its shores at least six labour-intensive manufacturing industries as part of the expansion of its industrial development. In preparation for this the island is identifying industrial opportunities, preparing feasibility studies, seeking equity partners and arranging project management where necessary. It is also offering fiscal incentives, duty concessions, concessional finance and factory space in further good measure will be the relatively low cost labour market, the best infrastructural network in the Caribbean, and a stable political climate.

The Industrial Development Corporation has produced a five-year plan that sets out in detail the proposed expansion. But the IDC plan is careful to indicate that the priorities are not based on state intervention outside of a "planning concept". It notes: "Given our economic system, the priorities will be achieved mainly through the performance of the privately-owned manufacturing sector. Central to the success of this plan are the investments, the energies, and the initiative of the private individuals as entrepreneurs, as workers."

Traditionally the Barbados Industrial Development Corporation has looked to North America for its investors. Now it is turning its attention to Europe and Japan. In their overseas promotional activity of the grasp of the IMF, whose designated to attract foreign investment, Barbados' officials sell projects based on their own research and they encourage and promote joint ventures between local and overseas businessmen.

One example of how "project identification" can work is the recent setting up of a flour mill through a major Canadian corporation.

Industries with a natural requirement for bulk transport are good examples of the type that will do well. The economies of bulk transport and the availability of warehousing and break-bulk facilities in a free port zone could make all the difference.

All these schemes are not to be isolated. They are designed to get to the core of the island's unemployment.

Because of the small size of the domestic market, the manufacturing sector has not been able to make as significant an impact in import substitution as was at first hoped. Products that are unable to find a market overseas are often not viable if produced in Barbados for local consumption only. The same holds true for other industries in the chain of islands that dot the Caribbean sea.

This has led to the setting up of the Caribbean Community (Caricom) which provides, through relaxation of customs duties and hence more competitive pricing, a wider immediate market for materials generated from factories in small islands, including Barbados.

This market is itself of a small and fragile nature since some of the signatories to the agreement, notably Jamaica and Guyana, have chosen, in the face of critical domestic problems, to impose trade restrictions even between member territories of Caricom.

When one looks at the rising unemployment figures in Barbados and its nagging balance of payments headaches, the energy used by the IDC in attracting foreign investment can be seen as vital. The success of the development of a viable industrial sector is essential to the peaceful and orderly development of an island that has known more peace and order than many of its trouble-ridden neighbours.

The Governor of the Central Bank, Dr. Courtney Blackman, confirms this: "Above all, the manufacturing sector possesses the greatest potential for job creation to fill the needs of our expanding work force over the next decade. The tourist sector is no longer dynamic in terms of employment generation. In fact, there is a marked tendency towards the erection of condominiums, which use much less labour than hotels. As a result, the increase in visitors to the island in recent years has not been marked by an equal expansion in employment."

With the necessary political will, the drive of an efficient IDC and a little luck, industrial expansion could provide the strength to keep Barbados out of the grasp of the IMF, whose presence is now a cold reality in two other Caribbean islands, bigger and at one time richer than Barbados.

Harold Hoyte  
Editor, The Nation



## Barbados Fire & General Insurance Co.

ESTABLISHED 1880

Local Agents: Cottle Catford & Co., Plantations Trading Co. Ltd., Brown & Chapman, Clarke & Tucker Ltd., Frank B. Armstrong Ltd., Barbados Mortgage Finance Co. Ltd., Bank of Nova Scotia Trust Co. (Bdos) Ltd., T. Herbert Ltd., Ahmed Patel.

### Overseas Agents:

St. Vincent: St. Vincent Insurance Ltd.  
St. Lucia: Peter & Co. Ltd.  
Dominica: H.H.V. Whitchurch & Co. Ltd.  
Antigua: Stephen Shoul

**Barbados Fire & General Insurance Co.**  
Beckwith Place - P.O. Box 150  
Bridgetown

Thinking of manufacturing in

## BARBADOS?

If not, you need read no more of this ad!

If you are, consult

## The Barbados Shipping & Trading Co., Ltd.

Barbados has had its own Parliament, with sovereign power over its internal affairs, for over 300 years—the second oldest in the Commonwealth. As to freedom and human rights it is rated one of the top countries in the western world. B. S. & T. was established as a public company over 60 years ago, and has always been Barbadian owned and controlled.

B. S. & T. is the largest public company in Barbados, with over 1,500 local shareholders, and paid up capital and reserves of over £10 million. Small by U.K. standards, yes.

Barbadians would agree that we are not among the poorest nations in the world (our per capita GNP is about U.S.\$1,600) but, we have too many unemployed people—around 12%. Higher employment for Barbadians would mean greater prosperity for Barbados—and for B. S. & T.

B. S. & T. is therefore particularly interested in the establishment of new industries in Barbados, where there is a stable political and industrial climate, and an intelligent workforce. Our people are 98% literate. Already we have either launched or participated in the establishment of factories for the manufacture of beer, biscuits, animal feed, margarine, nails, pharmaceuticals, records, soap, etc. Centralisation of sugar manufacturing and bulk loading of sugar have made several factory buildings and sugar warehouses available for use as plant sites.

B. S. & T. is interested in expansion of manufacturing in association with experienced producers. Enquiries are invited.

## THE BARBADOS SHIPPING & TRADING COMPANY LIMITED

Carlisle House, Hincks Street, Bridgetown.

P.O. Box 103

Telex: WB 237

Cables: BARSHIPTRA Barbados







مكتبة الأصل







## FINANCIAL TIMES SURVEY

Thursday November 30 1978

مكتبة الأصول

## Process Plant

Although 1978 is expected to see an increase in total spending on process plant this is not likely to continue into next year. The North Sea has proved a valuable market but the industry is often a victim of cutbacks in the nationalised industries, as was demonstrated recently in steel.

PARTS OF the process plant industry have enjoyed healthy levels of activity in the current year, but others—particularly at the heavy end—are still operating at levels well below capacity.

This picture emerges in spite of forecasts from the Economic Development Committee for the industry, published in July, which showed that spending on process plant during 1978 was expected to increase in line with increased total capital spending by the process industries. The rise in spending was forecast to be quite large, and followed on a shortfall in 1977 of actual spending levels over the forecast levels.

Beyond 1978, however, the prospects are distinctly gloomier according to the EDC's forecasts. Total spending on process plant for the three years 1979-80 was put at £4,643m, with 1979 and 1980 at lower levels than 1978. Since the forecasts were drawn up, they have already had to be revised following on the cancellation by the British Steel Corporation of two important projects at Port Talbot and Scunthorpe, and the final abandonment of the Canvey Island oil refinery project.

The expected fall in 1979 and 1980 is due primarily to a decline in spending in the oil and gas production sector. The

uncertainty about the rate of further exploration and development of the North Sea makes it difficult to forecast beyond the next couple of years.

The industry has high hopes, however, that the expertise which it has acquired in the North Sea will enable it to capture contracts for offshore oil developments in other parts of the world. An industry delegation is in India at the moment discussing the hardware requirements which will be needed for harnessing gas from the oilfield off Bombay.

## Exports

Exports of the process plant industry vary between 20 and 30 per cent of total production and are therefore of vital importance, particularly with the prospect of the home market falling off. Prime markets are North America and the Middle East, but partly as a result of the slowing down of expansion in the latter area, and partly because there is always a need to find new markets for an industry which is suffering from worldwide over-capacity, real efforts are being made to capture more business in the developing markets of Iran, Venezuela, the USSR, India and, of course, China.

One of the industry's constant problems is the interruption to

the spending plans of the nationalised industries, of which the outbacks in the steel and the buttermakers. Both the industry's programme are the mergers failed to materialise in most recent example. It also spite of Government encouragement, complaints that its exports have suffered as a result of the export image suffered considerable damage as a result of the very big customers of the industry, not always specifying equipment which can be sold on the basis of the ATEX, but overseas. There have been very

published in October, 1978,

ment Council early in the new

The growth of imports has been of particular concern to the EDC, which was formed last year as a successor to the process plant working party. Importation is coming from French and Italian companies in particular, and which are taking advantage of a 20 per cent tariff reduction on some of the equipment is almost barriers with Britain's entry into

where Government assistance is

being given to industrial projects, then it should be specified that the purchased equipment is British.

The chemicals industry continues to be one of the most important customers of the process plant industry, with about 45 per cent of the industry's total spending going on process plant. A large proportion of the investment in petrochemical projects, which have been brought to the fore by the development of North Sea oil.

The three-year forecasts from the Chemical Industries Association indicate that spending will be sufficient to provide healthy enough orders for process plant, but in the longer term there are uncertainties over both the level of capital spending and the location of plants by the chemical industry.

The process plant industry is split about equally between fabrication, where over-capacity in a global context is most severe, and the manufacture of process plant equipment for supply to contractors. Recent figures show that the proportion of hardware orders placed by contractors with UK manufacturers for overseas work is now only around half-out of a total £500m worth of orders from contractors, £262m went to UK manufacturers in 1977-78, and £247m to overseas manu-

facturers. The latter won out against the UK industry mostly for competitive reasons such as price, delivery and quality, rather than the conditions of licences. A couple of years ago, the proportion was more like one-third.

The importance of the industry in the UK economy is demonstrated by its £2bn turnover and around 100,000 employees. It has also been selected under the industrial strategy for special attention. But the industry is fragmented while in certain areas there is definite over-capacity. These factors make it more difficult to create the sort of competitive industry which can win orders overseas, although at the same time there are particular companies which can compete alongside the Americans, Japanese, French and Italians.

Identifying the weaknesses of the industry, however, and making recommendations, are much easier than seeing them implemented, as the experience following the Think Tank report has shown. Much of the industry is located in areas where unemployment is high, and at times this may well be a consideration which will override economic logic.

## Unemployment

Identifying the weaknesses of the industry, however, and making recommendations, are much easier than seeing them implemented, as the experience following the Think Tank report has shown. Much of the industry is located in areas where unemployment is high, and at times this may well be a consideration which will override economic logic.

## Demand likely to decline

By Hazel Duffy, Industrial Correspondent

moves in this direction recently, which was critical of the industry overall. The degradation of the industry's image, which the industry feels as a result of these moves, has gone some way to improving the amount of liaison, judged from the fact that the industry's export image was the progress report which it will be submitting to the Think Tank Report published at the end of 1978, which National Economic Develop-

wholly imported. Discussions the EEC, and latterly have had have been held between manufacturers and user industries in European steel. Steel is the attempts to find out why major raw material in process British companies are hardly plant manufacture, and therefore specified as suppliers, and fore has a substantial effect on the final price. These have been sometimes as much as 30-40 per cent below British prices, says the PPA, which is asking that

## Complete Process Plants

CJB supplies complete plants for:-

- \* Oil and Gas Processing
- \* Petrochemicals
- \* Polymers
- \* Biochemicals and Fine Chemicals
- \* Mineral Processing

and is a leading Offshore Contractor world-wide

The Group is currently executing major contracts in:-

- \* United Kingdom and North Sea
- \* Belgium
- \* USSR
- \* Algeria
- \* Libya
- \* Saudi Arabia
- \* Kuwait
- \* Iran
- \* Nigeria
- \* Brazil

Our experience throughout the world in carrying out complete projects enables us to offer up-to-date technology and a comprehensive range of services covering:-

- \* Feasibility studies
- \* Process design
- \* Engineering
- \* Procurement
- \* Construction
- \* Commissioning
- \* Project management
- \* Maintenance, operation & inspection

We can arrange project finance, product marketing and other commercial services.



For your next Project contact:-  
**CONSTRUCTORS JOHN BROWN LTD**  
CJB House, 20, Eastbourne Terrace, London W2 6LE  
Telephone 01-262 8080 Telex: 263521  
Cables: CIVANICS LONDON



## INGECO formula: technology with a human touch.

INGECO LAING INTERNATIONAL

INGECO, with a reputation for excellence in process plant technology, is the world's leading expert in the design, construction and operation of the best of new technologies. Equally important, INGECON plants for man. INGECON interpretation, design and construction is tailored to man. INGECON, operating from 25 offices around the world, leads in co-ordinating and promoting technical and financial activities in planning and designing and in the realization of advanced process plant.

- INGECO:
- Oil refineries
- Petrochemical plants
- Pulp and paper plants
- Product research
- Process and engineering design
- Personnel training
- Turnkey plants

ACTEON GROUP  
Creativity in technology



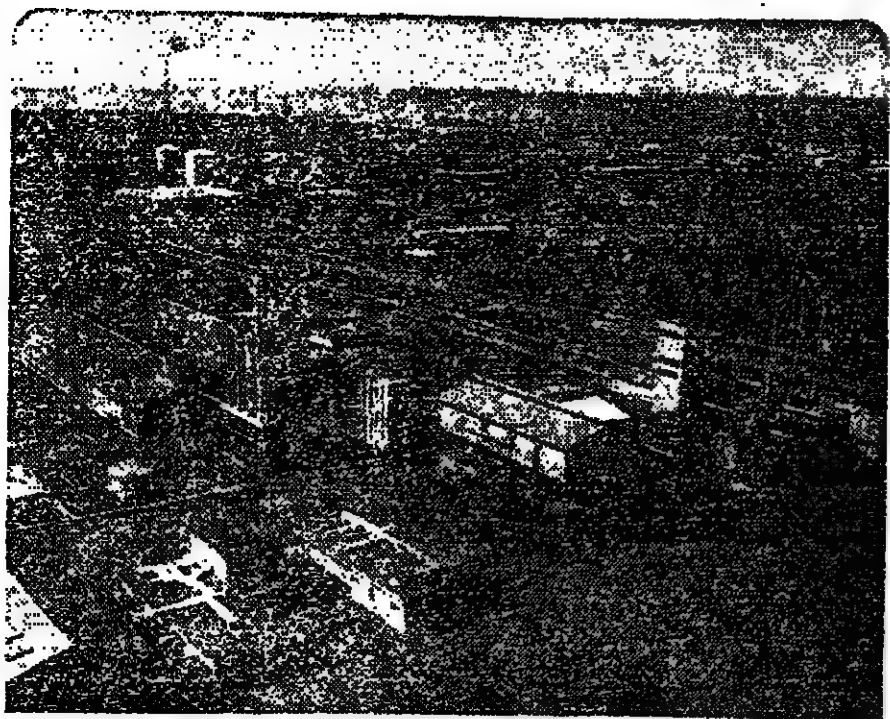
INGECO Laing International - Riva A'Giacca, 1  
Lugano - Switzerland  
☎ 00419/548431 - Telex 73697 INGECON

INGECO Laing Ltd - Farrow House - Colindale Lane  
London NW9 6HE - England  
☎ 01-207 7223 - Telex 92527 INGECON



## PROCESS PLANT II

## Major oil demands



50,000 TPD low density polyethylene plant at El Tablazo, Venezuela

## COPPEE - RUST

Engineers and contractors to the chemical process industry

Coppée-Rust is a leading engineering organization in Belgium serving the chemical, petrochemical and various other industries. Providing a comprehensive contracting service from project evaluation and initial conception up to realization. Offering you the use of processes from recognized companies to undertake projects mainly in the fields of:

- Polyolefins
- Melamine and caprolactam

Or ready to build your plant according to your own process. Coppée-Rust ensures the plants are delivered on time within the budget. The company has the experience, the integrity and the caliber of job management that's resulted in many of its clients being repeat clients.



For further information, write to:  
S.A. Coppée-Rust N.V., Avenue Louise 251, Box 16 B-1050 Brussels, Belgium.  
Tel.: 02/549.39.00 • Cable: Coppée-Rust • Telex: Conibus 9 211-39  
International Organization  
Coppée-Rust S.A. France • Rust Engineering Company Ltd. United Kingdom •  
Coppée-Rust Venezuela, C.A. Venezuela • Coppée-Rust (Pty) Ltd. Singapore •  
The Rust Engineering Company, USA.

Baker Perkins.  
World engineers.

We sell to every continent. Baker Perkins process plant produces bread, biscuits, cakes and confectionery. Our machines also package these products — and tea and pharmaceuticals — giving protection, hygiene and convenience.

For chemicals and plastics we specialise in mixing (as seen below), compounding and separating machinery. Most of the world's antibiotics are extracted on our plant.

Baker Perkins also produces high speed printing presses, foundry sand mixers and specialised bearings for a wide range of engineering applications.

Baker Perkins Holdings Limited  
Westfield Road, Peterborough, England PE3 6TA

THE UK PLANT and equipment Sea Oil on Scotland prepared engineering industry has for the Scottish Economic Planning Department, suggested offshore oil developments and there could be between 15 and 24 platform orders to come from the start has been one of the most successful supply sectors. Onshore too it has met field development plans are major demands on its skills and presently being studied by the Department of Energy and these massive terminals to receive should be approved in the next and process crude from some of the largest fields in the North Sea.

These developments have tended to overshadow the construction programme that is also under way at four oil refineries in South Wales, the Thames Estuary and Humber. The refining industry has been operating for many months under the cloud of severe overcapacity and there have been several plant closures, particularly on the Continent. But in the UK a large part of the industry has embarked on an investment programme worth several hundred million pounds. Companies such as Mobil, Texaco, Total and Amoco are building new refinery units to upgrade the heavier oils into lighter products, such as petrol, for which demand is growing far more quickly than for the heavier fuel oils.

The fabrication of plant and equipment has traditionally been a strong sector of the UK engineering industry and it is certainly this activity which, more than any other, has provided the UK with a growing share of the domestic offshore supplies market for goods and services. The general UK share has been growing in recent years and last year domestic suppliers took 62 per cent of a total market worth about £1.3bn. But in the sector of the market covering process plant and power generation equipment, for example, the UK share was as high as 72 per cent, with domestic industry taking orders worth £109m out of a total market of £151m.

The high UK share has been achieved in the face of intense international competition. In addition the supply from the UK of an extensive range of specialised oilfield equipment for overseas markets is also developing.

The pace of offshore exploration overseas has been quickening as new areas have been opened up in North and South America, the Far East, India and Australia. Export markets will represent increasingly important outlets for UK plant manufacturers with experience in the North Sea, and overseas sales will also help to pull companies through fallow periods in the home market. In order to ensure a steady flow of work, the suppliers of process plant and power generation modules are totally dependent on orders for production platforms being placed by the oil companies. These orders virtually dried up in 1975 and 1976. But after this bleak period for major contracts decisions were made last year to go ahead with the development of the North Ninian, Murchison and Tartan Fields. These platform orders, which were shared around three steel fabrication yards in Scotland and one French yard at Cherbourg, have been followed this year by Shell/Ess's decision to go ahead with the development of the Fulmar Field.

Forecasts of future field development decisions have always been over-optimistic. But one of the latest official estimates contained in the report "The Economic Impact of North Sea Oil" suggest that the pace of development will be maintained. There is now a payroll of about 8,000 at the site, and about 80 per cent of this workforce is at Sullom Voe at any one time. The terminal is little more than 40 per cent complete, but a crash building programme during the summer has ensured that the minimum facilities are ready for the reception of stabilised crude oil. Eventually when all the gas processing facilities are complete the crude will flow untreated straight to the terminal. Here the various gases, such as methane, propane and butane will be separated out, liquefied and stored ready for shipment from the terminal.

Expansion  
in gas

THE GAS industry is engaged on a major expansion programme over the next five years to find markets for the increasing quantities of natural gas that will be coming ashore from fields in the northern North Sea, such as Frigg and Brent.

Much of the construction work onshore has been completed, but British Gas is still planning to spend another £1.6bn over the five years to 1982-83 on new plant and equipment. About two-thirds of this expenditure will be on the transmission, distribution and storage equipment while about one-fifth will be devoted to British Gas's own offshore exploration programme. The Corporation is planning for sales of more than 18bn therms a year by 1982-83 compared with 15bn therms in the last year 1977-78. The main expansion will be in the domestic market, where in four years' time gas should be supplying half the energy used in all households. Capital investment by British Gas last year totalled £201.2m compared with £243.7m in 1976-77.

Gas supplies from the southern North Sea fields have been flowing to the various terminals in England—Easton, Mablethorpe and Bacton—since the late 1960s and early 1970s. The present building programme encompasses the northern North Sea's biggest gas field, the Anglo-Norwegian Frigg Field, and associated gas from such discoveries as Brent and Piper. These developments are exclusively located in Scotland, but construction work will move south of the border again in the early 1980s as British Gas starts to develop its gas discovery in Morecambe Bay off the north-west coast of England.

The first supplies of gas from the Frigg Field arrived at the terminal at St. Fergus, near Peterhead, a little over a year ago from the UK sector of the field. Since the autumn pipeline deliveries have been boosted by the start of production from the Norwegian part of the field. Supplies began to build up in October to a level of 35m cubic metres a day and output should reach a peak of 43m cubic metres a day by the end of next year. By then the Frigg Field will be accounting for about 20 per cent of British Gas's present supplies.

The St. Fergus terminal is the

CONTINUED ON NEXT PAGE

by special gas carriers. Some of the gases will also be used for power generation at the site. To speed construction CJB, the main contractor for the processing facilities, is using a system of modular building, to allow complex equipment to be pre-assembled in the easier mainland environment.

Pre-assembled pipe racks are beginning to appear at the site, and as the delivery of the various equipment units increases to a peak next summer there will be a major logistical problem in ensuring that all the pre-assembled parts are on site when needed. In the meantime, however, as oil production from the East Shetland Fields builds up, much of the associated gas that is produced along with the oil will have to be flared into the atmosphere, especially from the Cormorant, Heather and Ninian Fields.

The other major construction job onshore that has been badly hit by delays and rising costs is Phillips Petroleum's crude oil terminal at Seal Sands on Teesside. Construction here is three years behind schedule and costs have doubled to more than £300m. The 220-mile crude oil pipeline from Phillips Ekofisk Field in the Norwegian sector of the North Sea was commissioned in 1975. But it is not expected that the terminal will be able to start taking un-stabilised crude before the second quarter of next year.

Eventually the terminal will have the capacity for dealing with 1m barrels of oil a day. But until the natural gas liquids separation and treatment facilities are completed from the middle of next year the terminal can handle little more than 400,000 barrels a day of "dead" crude—oil that has already been stabilised offshore.

On the island of Flotta in the Orkney Islands, the third major terminal to be built to receive North Sea crude oil is nearly completed. The terminal serves Occidental's Piper and Claymore Fields, but it is possible that oil will eventually be piped to Flotta from other fields as well, such as Texaco's Tartan Field. The Piper portion of the terminal is finished and provides 5 storage tanks, each with a capacity of 500,000 barrels. Two further storage tanks are being erected with a capacity of 1m barrels to take production from the Claymore Field. The terminal also has a gas-liquid separator plant and a gas liquefaction plant for propane and butane. The \$150m gas conservation programme that Occidental is now completing for the two fields will mean that production of propane from the Flotta terminal will be doubled from 6,000 to 12,000 barrels a day.

Further downstream the oil industry is also engaged on an ambitious programme of refinery expansion in the UK, which has opened up important opportunities for the process plant industry.

The oil companies are not adding primary distillation capacity which is already in severe overcapacity throughout Western Europe — indeed two projects for new refineries in the UK, one

from Occidental for Canvey Island and one from Cromarty Petroleum for the Cromarty Firth have both been abandoned this year. But there is a shortage of secondary refinery capacity in the form of cracking capacity for upgrading heavy oil products, such as fuel oil, into the lighter products, chiefly petrol and naphtha (the petrochemical feedstock) for which demand has been growing far more quickly.

As part of this programme Mobil is building a £122m fluid catalytic cracker at its Coryton refinery. The cracker will enable Mobil to make 60 per cent more petrol from every barrel of crude than it can achieve with its existing plant. On Humberstone the Lindsey oil refinery, a joint venture between Petrofina and Total, is building a £70m cracker capable of handling 1m tonnes a year. The new plant should take three years to complete, but when it is finished it will enable the refinery to make at least one-third more petrol from the same amount of crude oil processed.

Kevin Done

## ENERGY SAVING

**GREEN'S**

Suppliers to the Process Industries of  
WASTE HEAT RECOVERY  
EQUIPMENT

We specialise in thermal and mechanical design, manufacture and commissioning of a wide range of heat transfer equipment both for heat recovery and process fluid cooling.

ECONOMISERS  
WASTE HEAT BOILERS  
AIR COOLED HEAT EXCHANGERS  
CAST IRON AIR HEATERS  
GLASS TUBE AIR HEATERS  
AIR PRE-HEATER ELEMENTS  
'ECONOFIN' WELDED HELICAL FIN TUBES

Over a century of involvement in heat transfer technology has placed us in a strong position to meet the increasing energy-saving needs of modern industry.

Consult us to learn more about how Green's experience can help you make effective use of your valuable process energy.

## E GREEN &amp; SON LIMITED

WAKEFIELD WF1 1PF

Tel: (0924) 78211

Telex: 55452

London Sales Office:

Tel: 01-405 8601

FOOLPROOF  
SAFETYJMM tagged discs  
cut human error - 3 ways!

You know that bursting discs give the most reliable 'fail-safe' method of protecting your plant against overload damage. But how do you guard against mistakes in disc installation?

With JMM tagged bursting discs, the riveted-on tag positively identifies each disc — minimises the chance of wrong disc replacement.

The foolproof JMM installation features, and the written instructions that come with every disc, minimise the chances of mistakes in installation.

Post the coupon for full technical data.

Please send me your technical data on JMM Bursting Discs and Assemblies.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

- 1 The unique JMM 3-pin location system makes it impossible to install the disc back to front!
- 2 The identification tag — always visible outside the pipeline — stays with the disc, even after a safety burst!
- 3 JMM vacuum-type discs have the vacuum support permanently attached to the disc. No chance of wrong assembly.

BURSTING DISCS  
AND ASSEMBLIES

Johnson-Matthey Metals Limited  
160 High Street, London WC2E 6BT  
Telephone: 01-832 6711 Telex: 207111



## PROCESS PLANT III

## Fresh hopes in chemicals

THE NEWS this week that BP Chemicals is to build a £50m ethanol plant at its Grange-mouth site in Scotland should have provided some cheer for the UK's chemical process plant industry.

For some time now the chemical industry throughout Western Europe has been suffering from overcapacity plus weak prices in many product areas and this has led most of the major companies to take a cautious view on future capital investment. It has also led to the cancellation of a number of large projects. Yet amid the general gloom there have been a number of forecasts of better times to come somewhere around the mid 1980s. There have also been calls for capital expenditure programmes to be started now so that European chemical concerns in general and British ones in particular will be able to steal a march on their competitors once the boom begins.

The heartening point about BP Chemicals' decision to build a major ethanol plant in Scotland is that the company is actually spending money on preparing for an improved chemicals market in the 1980s instead of merely talking about it—a fact which must give process plant companies some ground for optimism.

Not that the present picture is entirely bleak. Forecasts

prepared by the Process Plant Economic Development Committee this summer put total fixed capital expenditure for the chemical industry at £3,010bn during the three years 1978-80. The Committee's forecasts were never officially published because of substantial cutbacks in general industrial investment that were announced just as they were about to be released.

Yet the Committee's figures, based on a survey carried out in March by the Chemical Industries Association, still provide a reasonable, if slightly optimistic, guide to forthcoming investment in chemical plant. The forecasts showed that investment in 1978 was expected to be £931m while estimates for 1979 were set at £1,078m and for 1980 at £1,001m.

## Capacity

"It is thought by the industry that this investment programme provides more than adequate production capacity in aggregate for both home demand and a sustained increase in exports up to 1981," the Committee said, though it added: "However, the CIA does express some caution about further expansion in the current situation of world trade and the economic performance of the OECD countries."

"It should be noted that the CIA survey is one of company intentions early in 1978 which might be modified in either direction if world and UK economic and trading conditions change or as a consequence of improvement or deterioration of general business consequences."

The committee noted that the actual level of investment by chemical companies last year was some 10 per cent lower than what had been forecast. The process plant industry itself now reckons that the forecasts for 1978-80 will also prove to have been at least 10 per cent too high.

The main reason for the shortfall on forecast investment by the chemical industry in the UK last year was "postponements due to construction

problems, reduced pressure from market demand and reduced profit expectations or cash availability." This year has produced its own crop of postponements and cancellations of major chemical plants.

In August, Imperial Chemical Industries halted construction work on its 180m vinyl chloride monomer plant at Wilton on Teesside. The company decided to go ahead with the engineering design work for the 150,000 tonnes a year plant but it suspended the ordering of certain key components and it instructed the main contractor, Fluor, to start negotiations with suppliers on the cancellation of some existing contracts.

Only six weeks earlier Shell Chemicals UK had decided to halt design work on a £200m petrochemicals plant planned for its Stanlow site on Merseyside. The decision to cancel the building of the 350,000 tonnes a year ethylene plant at Stanlow was taken because of the increasingly bleak picture of overcapacity in ethylene all over Europe. Shell Chemicals was particularly unwilling to go ahead with the project in the light of Esso Chemicals' plans to build an ethylene plant at Mossburn in Fife.

As it happens the Mossburn project is still being held up because of objections on the part of local residents to the granting of planning permission. Lengthy delays in obtaining

planning permission—usually because of environmentalist lobbies—are becoming more and more frequent throughout Europe and the problem is one which is increasingly worrying the chemical industry. Clearly these delays must also have an adverse effect on process plant concerns.

Meanwhile Esso Chemicals, which estimates that it will have spent between £12m and £15m by the end of this year on design and engineering plans for the new plant, is still pressing ahead with the Mossburn project.

Another major UK ethylene plant, which is at a far more advanced stage of construction, is that being built by BP Chemicals and ICI at Wilton on Teesside. The project, which will employ a steam cracking process designed by Stone and Webster, is nearly two years behind schedule—as is the acrylonitrile plant being built by Monsanto at Seal Sands on Teesside. Construction delays have been the chief cause of the two plants falling so far behind schedule although the Wilton project has also been affected by late deliveries.

Up to now, UK chemical process plant companies have not been hard hit by the British construction industry's notorious record on completion as compared to its European counterparts. But there are signs that the poor image of the construction industry is beginning to

rub off on process plant companies—particularly now that international competition is becoming so intense with the shortage of orders. What is worse is that it always seems to be the really big chemical plant projects that are worst affected by construction delays. Smaller projects, such as BP Chemicals' £20m aspic benzene and polyethylene plants at Grange-mouth, which are due to be finished at the end of this year, stand a much better chance of being completed on schedule. Mr. Harry Hornsby, who spent 30 years in the chemical industry before moving to the Process Plant Association, believes that a far bigger problem for UK process plant concerns operating in the chemicals sector is government-subsidised competition from abroad.

## Indications

He says the indications are that European competitors for chemical plant and oil refinery projects are being subsidised by their governments in one form or another—particularly in France, Italy and the Netherlands. Mr. Hornsby says their prices for chemical plant contracts are sometimes 20 per cent, 30 per cent, or even 40 per cent below those of UK concerns and he reckons that only government subsidies could make this possible. He adds that there have been occasions when the prices of European

companies for a particular contract have been lower than comparable UK concerns would need to cover material costs.

Mr. Hornsby is certain there will be a big growth in demand for chemicals in Europe. But he tempers this note of optimism by saying that in his experience the switch from shortage to surplus in chemicals demand invariably comes when it is least expected. This in turn cannot be good for a process plant industry that already suffers from violent swings in its own demand rate with all the accompanying problems of attracting and keeping adequate numbers of staff.

The Process Plant Association would like to see greater boldness on the part of chemical companies when taking investment decisions and this is a view supported by the UK chemical trades unions—particularly in regard to the production of plastics materials. The chemical majors themselves continue to be more wary but there are signs of a more optimistic attitude beginning to show itself. Perhaps one indication of this is that ICI, which is already pressing ahead with plans to sanction capital expenditure projects worth more than £500m this year, has started looking for a site for a new UK chemicals complex that is likely to be on the same scale as that at Wilton on Teesside.

Sue Cameron

## WINKWORTH

Specialist Mixer Manufacturers for Paste and Powder Mixing and Blending

Suppliers of Laboratory and Production Machines to the Chemical, Food and Process Industries

WINKWORTH MACHINERY LTD. Established 1924  
1 Bridge Street, STAINES, Mids. TW18 4PX  
Telephone: 55951 Telex: 934611

## A Processing Problem?

Dust, Odour, Bulk Handling, Process Control, Mineral Technology, Metals Extraction, Waste to help you solve your processing problems. We have the experience, unique facilities, practical advice, co-operative projects. For an informal initial discussion or for further information, contact: Terry Granger-Allen, Waterson Spring Laboratory, Department of Industry, Gunpowder Wood Rd., Stevenage, Herts. SG1 2BX. Tel: Stevenage (0438) 5385.



## Gas CONTINUED FROM PREVIOUS PAGE

focal point onshore of the development of the northern gas fields. It will also receive gas from the Brent Field and from other smaller fields which may eventually be linked to the Frigg and Brent trunk-lines. British Gas itself has invested more than £400m in the construction of its part of the terminal and the associated transmission system.

At St. Fergus the gas from the offshore fields is regulated, treated and compressed to meet the requirements of the land transmission system. On a 500-acre site one of the largest gas treatment plants in Europe is being constructed. The site is large enough to allow the installation of all the processing equipment required and it forms a new supply base to the north of British Gas's main national transmission network. The Gas Corporation and the partners in the Frigg Field—Elf Aquitaine, Total, Norsk Hydro, and Statoil—have each developed about 120 acres of the site for the Frigg reception facilities. But there is still substantial space remaining for the facilities needed to handle the gas flow from the Brent Field and any other fields that might follow.

The requirements of a rapidly expanding gas industry based on natural gas supplies from the North Sea have offered important opportunities for process plant manufacturers in the UK for more than ten years. Clearly the pace of this development cannot be sustained indefinitely, however, and the timing of the

next phases of the work are far from certain.

One of the biggest questions marks the development of the gas transmission and treatment facilities for Shell/Esso's Brent Field, the largest oil field discovered in the UK sector of the North Sea. The field has one of the highest ratios of gas to oil of any of the North Sea fields which has meant that a separate pipeline system has had to be built to handle the gas supplies. Brent has about 3 trillion cubic feet of natural gas as well as about 600m barrels of condensate and natural gas liquids.

This particular mix of hydrocarbons—the field contains about 2bn barrels of recoverable reserves of oil, including the gas liquids—has necessitated an offshore development programme that in complexity rivals any in the world. But it is onshore where Shell is wishing to build the various process plant units that the scheme has run into most serious trouble.

As far as the St. Fergus terminal is concerned, the development is proceeding within its various deadlines. Shell/Esso has agreed a contract with British Gas to start supplying natural gas (methane) to the Corporation in October 1980. Supplies are supposed to build up to a minimum level of at least 500m cubic feet a day. Shell's gas terminal on the land beside the Frigg and British Gas units is under construction. Costing at present estimates a little over

£100m, it should be ready by the middle of 1980.

The plant is designed to take out the natural gas stream for use by British Gas, allowing the remaining gas liquids to be piped 135 miles south to a separation plant in Fife. Here the ethane stream would cross a boundary fence to a petrochemicals plant proposed by Esso Chemicals. The propane and butane, which should find ready customers in the fuel markets of Western Europe and North America would be moved by a short pipeline to a marine terminal at Bruefoot Bay.

But local resident living around Bruefoot Bay have objected to the proposed plant, and a skilful and articulate protest campaign they have waged for two years has held up Shell's request for planning permission. A public inquiry into the scheme was held in July last year and Mr. Bruce Milson, the Secretary of State for Scotland, finally gave provisional outline planning permission in March.

## Evidence

Since then, however, he has been considering new evidence on the possible dangers of explosions being caused by the transmission of radio sparks, and his verdict has been further delayed for another nine months. Shell/Esso can only be patient and await his decision, but they are caught up in the middle stages of a project

that is already expected to cost some £33m. The delay at Mossburn means a major hold-up for the process plant industry, which is waiting for contracts that could total nearly £500m. Meanwhile, Shell/Esso have already accepted that they will not be getting the early gas sales they were banking on. More importantly, however, it means that gas re-injection will have to be increased at the field, which could have had effects in the long-term on the performance of the oil reservoir.

After Brent the next major onshore terminal to be built will be British Gas's own project to exploit its Morecambe Field off the north-west coast of England. Sir Denis Rooke, chairman of British Gas, said earlier this year that the field has reserves of the order of 2.3 trillion cubic feet of gas. It will be developed in the early 1980s. It has not yet been decided in detail how the field will be operated, but the cost of production platforms, under-sea pipelines, a shore terminal and the feeder lines into the national transmission system will require an investment of several hundred million pounds.

At least five sites are under investigation for the onshore terminal to receive the Irish Sea gas, including Barrow, the south-east of the Lune estuary, near Glasgow, Cockerham or Dorenda, the south bank of the Ribbles estuary near Southport and the Presall-Pilling area near Fleetwood.

Kevin Done

**ESMIL LTD**

for  
**Process Plant and Equipment**

**SPECIALISTS IN LIQUID / SOLIDS SEPARATION**

Designers and manufacturers of systems and equipment for process industries, municipal and industrial effluent treatment, water treatment and gas cleaning covering

All types of Vacuum Filters — Rotary Drum, with Knife, Belt or Roll Discharge; Agitator; Precoat; Tilting Pan; Horizontal Belt; Dewaxers for the Oil Industry. Liquid/Solid Separation problems in either Process or Effluent Treatment. Thickeners; Clarifiers; Flotators; Aerators; Sewage and Waste Water Treatment Plants. Carbon Activation and Regeneration. Band and Drum Screens; Pressure Precoat Filters; Desalination; Evaporation; Ion Exchange. Specialists in Foundry Fume and Odour Removal; Catalyst Recovery and High Efficiency Dust Collecting Cyclones; Fluidized Bed Dryers and Coolers. UK licensees of Waagner-Biro High Efficiency Venturi Scrubber.

In association with and manufacturers of equipment for:—

EIMCO, BSP, AMBUCCO, GOSLIN, HUBERT and ENVIROTECH

ESMIL LTD., Station Road, St. Neots, Huntingdon, Cambs. PE19 1QG  
Telephone: Huntingdon (0480) 75301  
Telex: 32678

AN ESTEL COMPANY  
In cooperation with ENVIROTECH CORPORATION

## Totally Integrated Micro Processor Based Systems For...

- \* Meter Proving
- \* In-line Blending
- \* Crude Oil Sampling
- \* Terminal Automation
- \* Fiscal Transfer and Royalty Metering

Systems Consultant, Designer, Manufacturer  
Installations in Refineries, Terminals, Platforms and Pipelines in the North Sea, Europe, Alaska, the Caribbean, the Middle East, The Gulf.

Worldwide Sales & Service Organisation



Jiskoot Autocontrol Limited  
Tunbridge Wells, Kent TN11 2DJ England  
Telephone: Tunbridge Wells (0892) 22291  
Telex: 95223 JISKOT G.

## This is Lurgi

Lurgi Chemie und Hütten-technik GmbH

Process Divisions:  
— Inorganic Chemistry  
— Ferrous Metallurgy  
— Non-ferrous Metallurgy

Lurgi Kohle und Mineralöl-technik GmbH

Process Divisions:  
— Coal Technology — Gas Technology  
— Refinery Construction  
— Petrochemistry  
— Fiber Technology

Lurgi Umwelt und Chemotechnik GmbH

Process Divisions:  
— Dust Collection and Emission Control  
— Waste Gas, Water, Air  
— Thermal Processes  
— Cellulose and Biotechnology  
— Gases — Workshops

Organization Abroad:

Subsidiaries in Amsterdam, Bruxelles, Johannesburg, London, Madrid, Melbourne, Mexico D.F., Milano, New Delhi, New York, Paris, Rio de Janeiro, Stockholm, Toronto, Wien, Zürich.  
Branch offices in Tehran, Tokyo, Representatives in Caracas, Kuwait, Manila, Riyadh.  
Agents in more than 40 countries.

Services:

Design, supply and construction of turnkey plants, individual units or equipment, erection and start-up of plants including proof of fulfilment of guarantees; development and licensing of processes and equipment. Lurgi itself is not a manufacturer of machinery and equipment and selects the most appropriate suppliers in Germany and abroad for each individual project.

## Prominent Percentages (3)

**60% of Lurgi's business comes from existing clients**

Today's customers make steadily growing demands on their production facilities. That's why absolute reliability and top performance are essential prerequisites when selecting an engineering partner.

Last year, 60% of Lurgi's turnover originated from existing business relations; from regular customers who appreciate the advantages of working with an experienced partner in projects involving risk such as the planning and construction of new plants or the extension of existing ones.

Lurgi builds large-scale plants for all sectors of industry throughout the world.

Lurgi's sophisticated technology and know-how ensure maximum technical and economic reliability not only for the immediate future but also for decades to come.

**LURGI**

...the plants are built by Lurgi

D-6000 Frankfurt (Main) 2 · Federal Republic of Germany · P.O.B. 119181



# FLUIDRIVE

variable speed fluid couplings

for

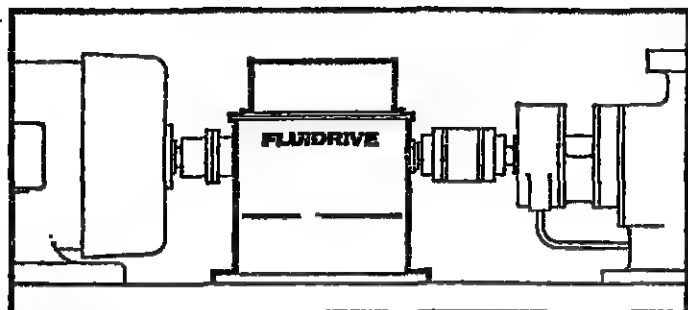
## OPTIMUM EFFICIENCY

and

## ENERGY SAVING

when operating

## PROCESS PLANT MACHINERY



### STOP PRESS— Major Export Success

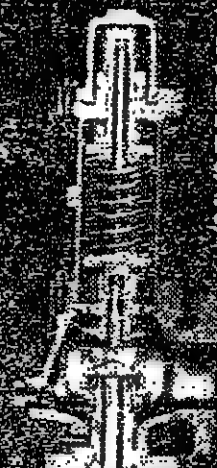
Fluidrive has been awarded a contract for the supply of more than 100 variable speed fluid couplings to Venezuela. The fluid couplings will be used on pump drives in one of the world's largest bauxite processing plants.

Fluidrive Engineering Co Ltd  
Isleworth Middlesex TW7 6EH England  
Telephone: 01-560 1121 Telex: 24107



## BIRKETT WB 400

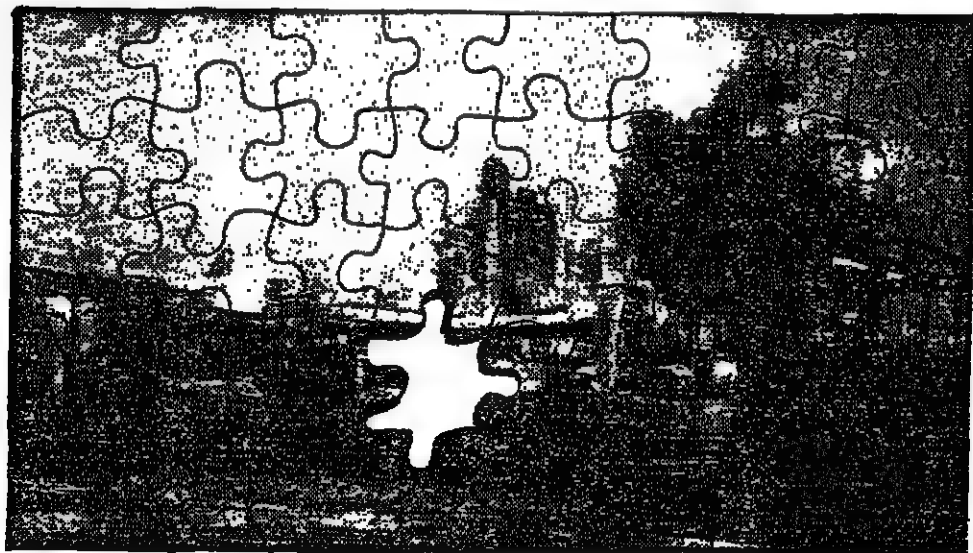
Full Nozzle—Full Lift Safety Relief Valves



for the petro-chemical and process industries to meet exacting international standards. N.B. tested to meet the requirements of A.S.M.E. Pressure-Vessel Code, Section VIII, tested and approved by T.U.V. Stoomwezen & A.O.T.C.

Use our technical services to select valves for your needs. Write or phone SAMUEL BIRKETT LTD, Queen Street, Heckmondwike, West Yorkshire. Tel: (0424) 409113. Telex: 55726.

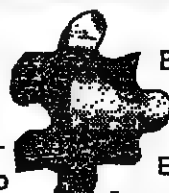
## From a feasibility study to a turnkey operation we can help you



Process plant operators have different problems and different requirements. If we can help by providing a turnkey service, then our considerable experience enables us to complete the project to budget and to the agreed time schedule.

But if you need specialist help and advice on one or more specific functions, our experts in each of the following can meet your needs:

Project Feasibility & Economic Evaluation  
Financing



Basic Process Design  
General Engineering  
Project Planning & Management  
Equipment Procurement

Cost Control  
Construction Supervision  
Operator Training  
Plant Commissioning

Sirycon has been designing and constructing process plants for forty years. Some of our clients are major contractors. They often come back to us with more business. If you put us in the picture — we can help you too.

**SIRYCON**  
BEMEX INDUSTRIES

For more information on Sirycon's services, please contact: Mr. Morley Hunter, Sales Manager, Sirycon Limited, Regal House, London Road, Twickenham, Middlesex, TW1 3QJ, England. Telephone: 01-292 4455, Telex: 21663 SIRYCON.

## PROCESS PLANT IV

# Steel industry forced to look abroad

RARELY DOES an industry lose the prospect of £2bn-worth of work at one blow. But that is what happened to the British makers of steelworks plant and equipment a few months ago when the Government and the British Steel Corporation finally decided that the ambitious plans laid down in the early 1970s for the expansion of public-sector steelmaking were no longer realistic and must be scrapped.

The plant makers are still shaken by the home market cut-back. To their credit, however, it must be said that they have readjusted rapidly to the new situation in British steel-making and, at the same time, have begun pursuing foreign business with renewed vigour.

### Overseas

The biggest British group in the industry, Davy International, is collaborating closely with British Steel on overseas work. The two organisations, with other British manufacturers, are bidding for new business in many parts of the world including some of the most glittering potential orders of all in China.

The strength of demand for steel plant among the developing nations may well prove sufficient to take the sting out of the retrenchment at home.

The crisis in demand for steel throughout the West during the last three years of economic recession caught British Steel in a difficult position. Having agonised about the future for nationalised steelmaking during the early 1970s the corporation had embarked upon a major expansion designed to provide between 30m tonnes and 40m tonnes steelmaking capacity in the 1980s and 1990s at a small number of major sites.

As the crisis in the steel trade developed from 1975 onwards the British Steel plan looked increasingly unrealistic. The

process began of chipping away at its edges. But major forward investment decisions for hard-ware were still being made and it was clear that the plan should be allowed to continue in approximately its original shape. It would consume some £1bn a year investment capital during the late 1970s and the early 1980s.

By late 1977 Mr. Eric Varley, the Industry Secretary, was being advised that he must give priority to sorting out the mounting problems of steel. A committee was set up under Mr. Gerald Kaufman, one of Mr. Varley's junior ministers, to advise the Cabinet how to proceed. Meanwhile, the all-party Consumers Select Committee on Nationalised Industries was casting its own critical gaze upon the British Steel investment programme and pressing the Government for more information.

When Mr. Varley introduced a White Paper—"British Steel Corporation: the Road to Viability" (Cmd. 7149)—in the spring he carefully avoided putting figures to redundancy targets. He emphasised instead that the Government is taking a "step by step" approach to overhauling British Steel.

In practice this has meant that in little over a year the corporation has cut back its work force from 207,000 to 189,000 and is continuing to bring about manpower savings by closing ageing steelworks. At the same time the investment programme—one figure that Mr. Varley was prepared to talk about—has been halved from near £1bn a year to some £500m a year from now on. In practice British Steel will probably only spend about £400m in the financial year 1977-1978, although the figure is expected to be of the order of £500m a year in future years up to about 1983.

The biggest immediate

casualty from the plant makers' point of view has been the loss of the planned £800m-plus expansion of the Port Talbot strip steel works in South Wales.

The industry had hoped to be embarking by now upon a new show-piece strip mill at that works together with numerous other development projects in iron and steelmaking and steel finishing to double the steel capacity of the works. But putting on extra steel capacity is distinctly unfashionable in the current climate of European steelmaking. Indeed it is virtually prohibited under the schemes of Viscount Edmond Davignon, the Industry Commissioner, for restructuring the industry throughout the EEC to make it more modern and effective. So Port Talbot is being modernised and improved—still at a cost which will total several hundred million pounds—but without the big new set-pieces of the plant makers' art.

### Capacity

The emphasis at this works, as at all British Steel works now, is on upgrading quality rather than making more steel.

British Steel is concentrating upon finishing those capital investment schemes which are past the point of no return. The big 10,000 tonnes a day blast furnace and its associated coke and ore preparation plant at Redcar will be finished next year. Whether or not it will be put into production immediately must be considered an open question at this moment. But the furnace will demonstrate the British plantmakers' ability to compete in the most advanced blast furnace and ore techniques now employed in the world.

Another big job that is not being sacrificed is the installation of basic oxygen steelmaking at Ravenscraig, Scotland, to provide a central, efficient steel-

making supply for the many small and specialist steelmaking operations north of the border.

### Document

In the next two years the corporation will be spending £38m at Redcar, £24m at South Tees-side, £75m at Ravenscraig, £25m at Hunterston, Scotland, some £70m at Port Talbot, £25m on South Wales tin plate developments, a further £15m on stainless steel-making at Sheffield, £15m at Rotherham, and £27m at Corby. In addition another £250m will be spent over the two years on smaller schemes each costing below £10m.

The latest British Steel projections for the future are contained in a document Prospects for Steel which includes those figures. It is based upon the premise that the investment can be justified: that with the new steelmaking plant the corporation can return to viability from the current position of losses exceeding £1m a day.

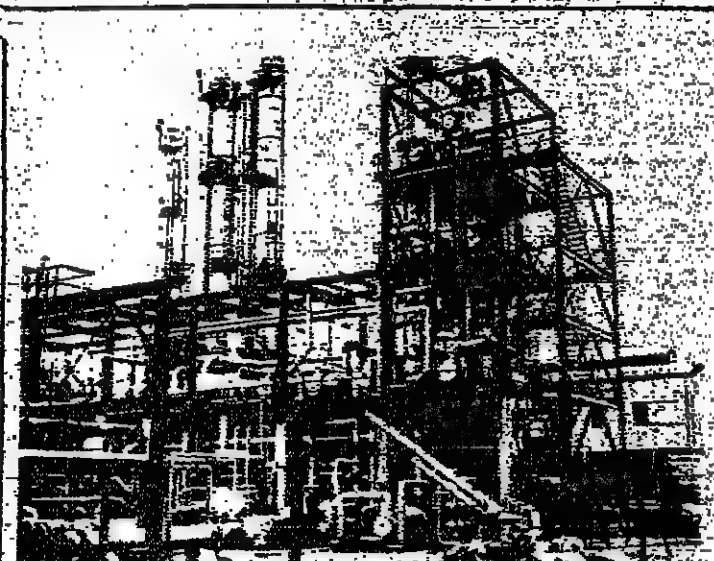
The private sector of British steelmaking is small compared with the public sector. But the plant makers recognise the growing importance of the private sector which is employing new capital at a faster rate than British Steel.

Alpha Steel—an internationally financed company—came virtually out of the blue to build a new steelworks with a potential output of 1m tonnes a year at Newport, South Wales.

The private sector steelmakers are producing some 3.2m tonnes a year now and have about 15 per cent of total British steel production. Within the sector there are more than 300 separate investment schemes in progress. Among the biggest are the modernisation by GKN of the Brynmawr Works, North Wales, at a cost of more than £50m and the installation of electric arc furnaces by Dupont

Steels in South Wales. The majority of the schemes are for the plant makers, must much smaller and are concerned with improving existing works and processes. They are, nevertheless, valuable and consistent business for the plant makers. Europe. The best hope for the future demand for steel breaking new ground is with the plant in Britain can now be Chinese. British steel plant clearly identified for several years are hoping to win business to come, British Steel is now from the planned, into most unlikely to launch any graded works for the Hopes expensive new steelmaking projects which eventually is to venture. Rather the corporation produce 10m tonnes of steel a can be expected to try to get. They will be closely modernise its existing plant—watching the outcome of a production capacity of up to 25m tonnes a year by Sir Charles Willers, investment of approximately £100m of British Steel, and £50m. The private sector is Sir John Buckley, chairman of expected to continue to invest, very international at roughly the same level as at present.

Roy Hodson



## THE HEART

OF A PROCESS PLANT IS THE PROCESS

Humphreys & Glasgow, as a contractor, major in process know-how. Our talented London Process Department is nearly 100 strong.

It is adept at applying its skills to a wide variety of clients own processes, to licensed technology, and to developing and improving partially developed processes.

We are willing to assist by the joint development of a client's process. Under such an arrangement, we benefit from the sheer power of our process expertise and also ensure our Laboratory facilities.

Let us help you, in whatever way suits your need, to have a good process "heart" for your next plant.

**HUMPHREYS & GLASGOW LTD**  
International Contractors and Consultants since 1897  
27 CARLISLE PLACE, LONDON SW1P 4PA  
Telephone: 01-822 1234 Telex: 75612  
LONDON, HONG KONG, SYDNEY, CALCUTTA, DUBLIN

# Drax decisions boost electricity

THE BANDWAGON had been stuck for a long time and there were general cheers from the electricity plant makers this year when the Government set it on the road once again. The Scotland Electricity Board—two big decisions have been the apportioning of contracts for the second half of the Drax coal-fired power station in Yorkshire, and an interim programme for nuclear stations which at least enables the companies to look ahead until 1982.

Two new advanced gas-cooled reactor power stations are to be built—one by the Central Electricity Generating Board, The Harlepool and Hesham AGRs should also start-up in 1980 or 1981.

The board is determined that the AGR mistakes will not be repeated and is looking for a straightforward design and building package for its next AGR which will be a standard for future repetition orders. Basically, it is to be modelled on the Hinkley Point AGR station.

Meanwhile, after three years of talks the British and French Governments have agreed that a 2,000 MW cross-Channel electricity cable should be built. It is likely that four pairs of cables will be laid on the bed of the Channel between Dungeness and a point on the French coast near Boulogne. Over the next four years the project is expected to cost about £220m which will be split between the two nations. It looks like a cheap way of achieving the equivalent power capacity of a new large power station.

Five big fossil-fuelled and hydro power stations are now being built for the CEBG. They are: a 1,500 MW coal station, Aberthaw B in Glamorgan; a 1,625 MW pumped storage scheme at Dinorwic, North Wales; a 3,300 MW oil-fired station at Grain, Kent (incidentally the largest oil-fired power station being built in Europe); a 1,000 MW oil-fired station at Ince, Cheshire; and a 2,000 MW oil-fired station at Littlebrook, Kent.

The problems afflicting large engineering construction sites in Britain—problems highlighted in a National Economic Development Office report—are being felt acutely on that power station building programme. Some of the stations are years behind schedule. The CEBG is estimating that it now takes about 11 years from proposing a big power station in the start-up date and is arguing heavily that such a period is too long. Efforts are being made with the new Drax contract to have the station built in seven years.

The nuclear power station building programme also has its troubles. But in this case they stem mainly from the design and construction problems experienced with the various designs of advanced gas-cooled reactor stations (AGRs) now being built. The CEBG estimated recently that the actual cost to the electricity user of the late delivery of those kilometres of new transmission stations was a total of £350m a year in higher power costs.

Dungeness B in Kent, the most troublesome nuclear power station ever built for the CEBG, Transmission systems and

is now in its final stage having been started in 1966. It is planned for completion by 1980. The Harlepool and Hesham AGRs should also start-up in 1980 or 1981.

The board is determined that the AGR mistakes will not be repeated and is looking for a straightforward design and building package for its next AGR which will be a standard for future repetition orders.

Basically, it is to be modelled on the Hinkley Point AGR station.

### Projection

The CEBG's corporate plan—the third such annual projection to be published—is forecasting an increase in maximum load demands in Britain from 44,000 MW in 1978-79 to 52,000 MW in 1984-5. But it points out that the time-scale for providing nuclear stations is now becoming so long that a considerable investment will be necessary ahead of requirements if power shortages are to be avoided.

The theoretical margin of capacity over maximum electricity demand possessed by the CEBG is now some 28 per cent—a high figure by historical standards. But the board argues that it is the sort of theoretical margin that will be necessary in the future as the industry relies increasingly upon big generating sets—each of which, when out of use represents a considerable capacity loss.

The uncertainty surrounding power station construction times is going to be tackled energetically by the power authorities and by the power plant industry in the coming months—the new AGR and Drax orders provide the incentive. But it is doubtful whether planning forecasts can be modified. The power authorities will want cast-iron proof that power stations can be built to definite time limits before they dare adjust their ordering programmes.

The CEBG capital investment programme for 1978-79 includes £267m for conventional stations, and £93m for nuclear stations, and no less than £67m for transmission investment.

Transmission of power is becoming an increasingly complex and expensive business. Last year more than 60 route the late delivery of those kilometres of new transmission stations was a total of £350m a year in higher power costs. Dungeness B in Kent, the most troublesome nuclear power station ever built for the CEBG, Transmission systems and

## REDUNDANT CHEMICAL PLANT WANTED

Substantial sums available for the purchase of modern complete plants or individual items.

Contact: Managing Director  
WINKWORTH MACHINERY LTD.  
Established 1924  
1 Bridge Street, STAINES, Middx. TW18 4PX  
Telephone: 59951 Telex 934611

Roy Hodson

## BRAN & LUEBBE

Market leaders in modular petro and proportioning equipment for single and multi-stream applications. Major improvements in formaldehyde processing economy. Space-saving, minimal maintenance, clean-in-place units.



BRAN & LUEBBE (GB) LIMITED  
CRUXWORTH  
NORTHANTS NN6 9EN  
ENGLAND  
TEL: 0664 834751 TELEX 311891



Handwritten: Handwritten

## WESTERN SAHARA

# Phosphate mines to remain idle

**BY TONY HODGES, RECENTLY IN WESTERN SAHARA**

But Mr. El-Omari denies the OCP wants to keep Bou-Craa closed. Morocco, he says, would prefer to be supplied from Bou-Craa, because the grade of phosphate mined (80 per cent bone phosphate) is higher than at the northern mines, where it is between 68 and 75 per cent.

certainly like to resume work at Bou-Craa simply to prove life is returning to normal in the Western Sahara. The problem facing Phosphocraa, however, is that there has not yet been any sign of a reduction in gun-

In July, Mr. El-Omar said that five sections of the conveyor belt, totalling 5.5 metres, had been burnt off by guerrilla raids. Two of the 10 control stations had been damaged and 17 power lines had been felled by guerrillas.

said, cutting off electricity supplies to the mines, where equipment is electrically powered from a coastal station 60 miles away across the desert. In October, electricity supplies to Bou-Craa were switched on again. But they are likely to be a long delay before repair technicians get the

Spanish Phosphorite employees said that every day military escorts repair teams to the belt but they were sometimes forced to return to El Estero apparently because of military insecurity in the region.

He said that some of the control stations are peppered with bullet holes. Additional extensive test work has been carried out on the belt, he said, simply because it has been idle for so long.

ever, a sharp increase in the number of complaints about sprouting and a drop in the number of shoppers con-

Contrary to many opinions aired in the aftermath of the potato "famine" of 1976-77, the use of substitutes for potatoes remains low.

**U.S. Markets**

**NEW YORK, Nov.**

**Cocoa**—Dec. 185.70 (180.25),  
183.00 (183.26), May 195.25, July  
Sept. 190.35, Dec. 173.55, Mar.  
Sales: 1,212.

**Coffee**—"C" Contract: Dec.

Copper—Dec. 65.45 105.05, Jan. 165.80, Feb. 67.80. March 67.75 66.00, July 79.20, Sept. 71.90, Dec. 73.80, Jan. 73.03, March 73.98, May 74.73, Sept. 78.45, Sales: 9,200.

Cotton—No. 2. Dec. 68.20-68.25 March 72.25-72.30 71.82, May 73.74, July 74.50-74.40, Oct. 68.10-68.20 64.20-64.30, March 67.10-67.15

67.20, Sales: 7,350.  
 \*Gold—Dec. 191.90 (192.80), Jan.  
 (194.40), Feb. 195.40, April 199.10  
 202.50, Aug. 206.50, Oct. 210.20  
 213.90, Feb. 217.70, April 221.80  
 225.30, Aug. 229.20, Oct. 233.20  
 35,000.  
 \*Lead—Chicago 1000s not at  
 23.50. NY prima steam 28.00  
 (same).  
 \*Zinc—Dec. 205.00 (205.00), Jan.

22Mar-1900, Dec. 22-24-26, 12Mar,  
2351-218 (2581), May 3435-344, July  
2451, Sept. 2494-250, Dec. 252-252A,  
9pladium-Jam. 320.60-320.50,  
April 323.20-323.50, 322.501, July  
323.40, Oct. 327.70-327.90, Jan.  
320.60, April 322.60-323.00 asked  
323.20-323.40 Sales; 1.663.

"Silver"-Dec. 549.00 (559.60),  
393.40 (394.30), Feb. 396.50, March  
397.40, April 397.40, July 415.00, Sept. 424.4,  
427.40, Jan. 442.40, March 457.16,  
469.40, July 477.40, Dec. 477.40

10 400. Handy and Harman spot  
500 on .300 ad.  
Soybeans—Jan. 671-672 (664).  
667-657 17641. Mar 6914-6911. Jul  
6904 and 690. Sept. 690. Nov. 6  
Jan 664.  
Soybeans  
171 ad. Jan. 184.70-184.50 174 171  
157 50-157.30. May 164 30-164 00.  
184 50-183 00. Aug. 157 50-158 00.  
182 50-183 00. Oct. 174.80-174 00.

Sayagham Oil—Dec. 24 76-74.75  
 Jan 24 76-72.25, Feb 24 77, March 24.75  
 Apr 24 78-72.75, July 24 79, Aug.  
 24 80 71, Oct. 24 81-72.00, Dec.  
 24 82 72.75, 73.

Sugar—Nov. 11 Jan 81 76.75  
 Feb 81 75.25, Mar 81 74.75, Apr 81 74.25  
 May 81 73.75, June 81 73.25, July 81 72.75  
 Aug 81 72.25, Sept 81 71.75, Oct 81 71.25  
 Nov 81 70.75, Dec 81 70.25, Jan 82 69.75  
 Feb 82 69.25, Mar 82 68.75, Apr 82 68.25  
 May 82 67.75, June 82 67.25, July 82 66.75  
 Aug 82 66.25, Sept 82 65.75, Oct 82 65.25  
 Nov 82 64.75, Dec 82 64.25, Jan 83 63.75  
 Feb 83 63.25, Mar 83 62.75, Apr 83 62.25  
 May 83 61.75, June 83 61.25, July 83 60.75  
 Aug 83 60.25, Sept 83 59.75, Oct 83 59.25  
 Nov 83 58.75, Dec 83 58.25, Jan 84 57.75  
 Feb 84 57.25, Mar 84 56.75, Apr 84 56.25  
 May 84 55.75, June 84 55.25, July 84 54.75  
 Aug 84 54.25, Sept 84 53.75, Oct 84 53.25  
 Nov 84 52.75, Dec 84 52.25, Jan 85 51.75  
 Feb 85 51.25, Mar 85 50.75, Apr 85 50.25  
 May 85 49.75, June 85 49.25, July 85 48.75  
 Aug 85 48.25, Sept 85 47.75, Oct 85 47.25  
 Nov 85 46.75, Dec 85 46.25, Jan 86 45.75  
 Feb 86 45.25, Mar 86 44.75, Apr 86 44.25  
 May 86 43.75, June 86 43.25, July 86 42.75  
 Aug 86 42.25, Sept 86 41.75, Oct 86 41.25  
 Nov 86 40.75, Dec 86 40.25, Jan 87 39.75  
 Feb 87 39.25, Mar 87 38.75, Apr 87 38.25  
 May 87 37.75, June 87 37.25, July 87 36.75  
 Aug 87 36.25, Sept 87 35.75, Oct 87 35.25  
 Nov 87 34.75, Dec 87 34.25, Jan 88 33.75  
 Feb 88 33.25, Mar 88 32.75, Apr 88 32.25  
 May 88 31.75, June 88 31.25, July 88 30.75  
 Aug 88 30.25, Sept 88 29.75, Oct 88 29.25  
 Nov 88 28.75, Dec 88 28.25, Jan 89 27.75  
 Feb 89 27.25, Mar 89 26.75, Apr 89 26.25  
 May 89 25.75, June 89 25.25, July 89 24.75  
 Aug 89 24.25, Sept 89 23.75, Oct 89 23.25  
 Nov 89 22.75, Dec 89 22.25, Jan 90 21.75  
 Feb 90 21.25, Mar 90 20.75, Apr 90 20.25  
 May 90 19.75, June 90 19.25, July 90 18.75  
 Aug 90 18.25, Sept 90 17.75, Oct 90 17.25  
 Nov 90 16.75, Dec 90 16.25, Jan 91 15.75  
 Feb 91 15.25, Mar 91 14.75, Apr 91 14.25  
 May 91 13.75, June 91 13.25, July 91 12.75  
 Aug 91 12.25, Sept 91 11.75, Oct 91 11.25  
 Nov 91 10.75, Dec 91 10.25, Jan 92 9.75  
 Feb 92 9.25, Mar 92 8.75, Apr 92 8.25  
 May 92 7.75, June 92 7.25, July 92 6.75  
 Aug 92 6.25, Sept 92 5.75, Oct 92 5.25  
 Nov 92 4.75, Dec 92 4.25, Jan 93 3.75  
 Feb 93 3.25, Mar 93 2.75, Apr 93 2.25  
 May 93 1.75, June 93 1.25, July 93 0.75  
 Aug 93 0.25, Sept 93 0.75, Oct 93 1.25  
 Nov 93 1.75, Dec 93 2.25, Jan 94 2.75  
 Feb 94 3.25, Mar 94 3.75, Apr 94 4.25  
 May 94 4.75, June 94 5.25, July 94 5.75  
 Aug 94 6.25, Sept 94 6.75, Oct 94 7.25  
 Nov 94 7.75, Dec 94 8.25, Jan 95 8.75  
 Feb 95 9.25, Mar 95 9.75, Apr 95 10.25  
 May 95 10.75, June 95 11.25, July 95 11.75  
 Aug 95 12.25, Sept 95 12.75, Oct 95 13.25  
 Nov 95 13.75, Dec 95 14.25, Jan 96 14.75  
 Feb 96 15.25, Mar 96 15.75, Apr 96 16.25  
 May 96 16.75, June 96 17.25, July 96 17.75  
 Aug 96 18.25, Sept 96 18.75, Oct 96 19.25  
 Nov 96 19.75, Dec 96 20.25, Jan 97 20.75  
 Feb 97 21.25, Mar 97 21.75, Apr 97 22.25  
 May 97 22.75, June 97 23.25, July 97 23.75  
 Aug 97 24.25, Sept 97 24.75, Oct 97 25.25  
 Nov 97 25.75, Dec 97 26.25, Jan 98 26.75  
 Feb 98 27.25, Mar 98 27.75, Apr 98 28.25  
 May 98 28.75, June 98 29.25, July 98 29.75  
 Aug 98 30.25, Sept 98 30.75, Oct 98 31.25  
 Nov 98 31.75, Dec 98 32.25, Jan 99 32.75  
 Feb 99 33.25, Mar 99 33.75, Apr 99 34.25  
 May 99 34.75, June 99 35.25, July 99 35.75  
 Aug 99 36.25, Sept 99 36.75, Oct 99 37.25  
 Nov 99 37.75, Dec 99 38.25, Jan 00 38.75  
 Feb 00 39.25, Mar 00 39.75, Apr 00 40.25  
 May 00 40.75, June 00 41.25, July 00 41.75  
 Aug 00 42.25, Sept 00 42.75, Oct 00 43.25  
 Nov 00 43.75, Dec 00 44.25, Jan 01 44.75  
 Feb 01 45.25, Mar 01 45.75, Apr 01 46.25  
 May 01 46.75, June 01 47.25, July 01 47.75  
 Aug 01 48.25, Sept 01 48.75, Oct 01 49.25  
 Nov 01 49.75, Dec 01 50.25, Jan 02 50.75  
 Feb 02 51.25, Mar 02 51.75, Apr 02 52.25  
 May 02 52.75, June 02 53.25, July 02 53.75  
 Aug 02 54.25, Sept 02 54.75, Oct 02 55.25  
 Nov 02 55.75, Dec 02 56.25, Jan 03 56.75  
 Feb 03 57.25, Mar 03 57.75, Apr 03 58.25  
 May 03 58.75, June 03 59.25, July 03 59.75  
 Aug 03 60.25, Sept 03 60.75, Oct 03 61.25  
 Nov 03 61.75, Dec 03 62.25, Jan 04 62.75  
 Feb 04 63.25, Mar 04 63.75, Apr 04 64.25  
 May 04 64.75, June 04 65.25, July 04 65.75  
 Aug 04 66.25, Sept 04 66.75, Oct 04 67.25  
 Nov 04 67.75, Dec 04 68.25, Jan 05 68.75  
 Feb 05 69.25, Mar 05 69.75, Apr 05 70.25  
 May 05 70.75, June 05 71.25, July 05 71.75  
 Aug 05 72.25, Sept 05 72.75, Oct 05 73.25  
 Nov 05 73.75, Dec 05 74.25, Jan 06 74.75  
 Feb 06 75.25, Mar 06 75.75, Apr 06 76.25  
 May 06 76.75, June 06 77.25, July 06 77.75  
 Aug 06 78.25, Sept 06 78.75, Oct 06 79.25  
 Nov 06 79.75, Dec 06 80.25, Jan 07 80.75  
 Feb 07 81.25, Mar 07 81.75, Apr 07 82.25  
 May 07 82.75, June 07 83.25, July 07 83.75  
 Aug 07 84.25, Sept 07 84.75, Oct 07 85.25  
 Nov 07 85.75, Dec 07 86.25, Jan 08 86.75  
 Feb 08 87.25, Mar 08 87.75, Apr 08 88.25  
 May 08 88.75, June 08 89.25, July 08 89.75  
 Aug 08 90.

WINNIPEG Nov. 29. 1899.  
 1st 75 70 bid 78 50 bid, May 78.  
 2nd 75 70 bid 78 50 bid, May 78.  
 3rd 75 70 bid 78 50 bid, May 78.  
 4th 75 70 bid 78 50 bid, May 78.  
 5th 75 70 bid 78 50 bid, May 78.  
 6th 75 70 bid 78 50 bid, May 78.  
 7th 75 70 bid 78 50 bid, May 78.  
 8th 75 70 bid 78 50 bid, May 78.  
 9th 75 70 bid 78 50 bid, May 78.  
 10th 75 70 bid 78 50 bid, May 78.

[illegible]

cent gerils delivered NY 5 Cent  
 100 bushels ex-warehouse 11 Cent  
 contract in to a short inn for hus-  
 of 100 short tons delivered for  
 Chicago, Toledo St. Louis and  
 "Cent per 50th bushel in  
 11 Cent per 24th bushel. 11 Cent  
 50th bushel ex-warehouse 11 Cent  
 50th bushel ex-warehouse, 1,000  
 lots. 9 Cent per tonne.

## SARAWAK SELLS MORE PEPPER

KUALA LUMPUR, Nov. 10.—SARAWAK EXPORTED 2,364 tonnes of pepper in the first 10 months of this year, an increase of 3464 tonnes compared

the corresponding period  
year, the Statistics Depart  
ment,  
Center







## OFFSHORE AND OVERSEAS FUNDS

[illegible]

# INSURANCE AND PROPERTY BONDS

[illegible][illegible][illegible]

\_\_\_\_\_



**Telford**  
Modernising the Midlands  
Information contact:  
Telford Development Corporation  
100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

# FT SHARE INFORMATION SERVICE

## BONDS & RAILS-Cont.

High	Low	Stock	Price	±	Div	Yld	Net
55	42	100	115.00	11.38			
56	43	100	115.00	11.38			
57	44	100	115.00	11.38			
58	45	100	115.00	11.38			
59	46	100	115.00	11.38			
60	47	100	115.00	11.38			
61	48	100	115.00	11.38			
62	49	100	115.00	11.38			
63	50	100	115.00	11.38			
64	51	100	115.00	11.38			
65	52	100	115.00	11.38			
66	53	100	115.00	11.38			
67	54	100	115.00	11.38			
68	55	100	115.00	11.38			
69	56	100	115.00	11.38			
70	57	100	115.00	11.38			
71	58	100	115.00	11.38			
72	59	100	115.00	11.38			
73	60	100	115.00	11.38			
74	61	100	115.00	11.38			
75	62	100	115.00	11.38			
76	63	100	115.00	11.38			
77	64	100	115.00	11.38			
78	65	100	115.00	11.38			
79	66	100	115.00	11.38			
80	67	100	115.00	11.38			
81	68	100	115.00	11.38			
82	69	100	115.00	11.38			
83	70	100	115.00	11.38			
84	71	100	115.00	11.38			
85	72	100	115.00	11.38			
86	73	100	115.00	11.38			
87	74	100	115.00	11.38			
88	75	100	115.00	11.38			
89	76	100	115.00	11.38			
90	77	100	115.00	11.38			
91	78	100	115.00	11.38			
92	79	100	115.00	11.38			
93	80	100	115.00	11.38			
94	81	100	115.00	11.38			
95	82	100	115.00	11.38			
96	83	100	115.00	11.38			
97	84	100	115.00	11.38			
98	85	100	115.00	11.38			
99	86	100	115.00	11.38			
100	87	100	115.00	11.38			

## BANKS & HP-Continued

High	Low	Stock	Price	±	Div	Yld	Net
54	43	100	111.00	11.11			
55	44	100	111.00	11.11			
56	45	100	111.00	11.11			
57	46	100	111.00	11.11			
58	47	100	111.00	11.11			
59	48	100	111.00	11.11			
60	49	100	111.00	11.11			
61	50	100	111.00	11.11			
62	51	100	111.00	11.11			
63	52	100	111.00	11.11			
64	53	100	111.00	11.11			
65	54	100	111.00	11.11			
66	55	100	111.00	11.11			
67	56	100	111.00	11.11			
68	57	100	111.00	11.11			
69	58	100	111.00	11.11			
70	59	100	111.00	11.11			
71	60	100	111.00	11.11			
72	61	100	111.00	11.11			
73	62	100	111.00	11.11			
74	63	100	111.00	11.11			
75	64	100	111.00	11.11			
76	65	100	111.00	11.11			
77	66	100	111.00	11.11			
78	67	100	111.00	11.11			
79	68	100	111.00	11.11			
80	69	100	111.00	11.11			
81	70	100	111.00	11.11			
82	71	100	111.00	11.11			
83	72	100	111.00	11.11			
84	73	100	111.00	11.11			
85	74	100	111.00	11.11			
86	75	100	111.00	11.11			
87	76	100	111.00	11.11			
88	77	100	111.00	11.11			
89	78	100	111.00	11.11			
90	79	100	111.00	11.11			
91	80	100	111.00	11.11			
92	81	100	111.00	11.11			
93	82	100	111.00	11.11			
94	83	100	111.00	11.11			
95	84	100	111.00	11.11			
96	85	100	111.00	11.11			
97	86	100	111.00	11.11			
98	87	100	111.00	11.11			
99	88	100	111.00	11.11			
100	89	100	111.00	11.11			

## CHEMICALS, PLASTICS-Cont.

PE	High	Low	Stock	Prices	±	Div	Yld
8	11.4	542	376	Procter & Gamble	477	1	Q12
9	11.3	1133	100	Ph. P. & M. Inc.	5124	-1	Q12
10	5.6	421	328	Chem. Corp. of Am.	375	+	16.7
11	5.9	491	412	Du. S. Chem. Co.	455	+	5.3
12	6.2	62	121	Ind. Paint.	80	+	16.7
13	6.7	111	141	Leach Inds. 30%	110	+	16.8
14	6.7	171	114	Leach Inds.	1244	+1	16.8
15	6.1	537	222	Nor. H. & B.	524	+4	Q12
16	5.8	108	72	Pepsi Co.	108	+	41.46
17	4.6	290	140	Ramson Wm. Ind.	285	+	3.1
18	4.4	75	48	Reynolds 10%	684	+	11.63
19	4.6	72	55	Scott's	61	+	33.94
20	5.2	225	103	Steel. Ac. Ind. Co.	183	+	32.18



INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

**NEW JAPAN SECURITIES**  
Tokyo, Japan  
New Japan Securities Europe Limited  
100, Old Broad Street, London EC2M 1JL

**MINES—Continued**

**AUSTRALIAN**

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

**TINS**

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

**COPPER**

**MISCELLANEOUS**

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

**GOLDS EX-5 PREMIUM**

London quotations for selected South African gold mining shares in the currency market, including the premium for the Rand. These prices are available only to non-UK residents.

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

100 Rand = 10.0000

INDUSTRIALS—Continued

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

INSURANCE—Continued

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

PROPERTY—Continued

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

INV. TRUSTS—Continued

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

FINANCE, LAND—Continued

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

SHIPBUILDERS, REPAIRERS

Commercial Vehicles

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

SHIPPING

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

SHOES AND LEATHER

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

SOUTH AFRICANS

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

TEXTILES

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

NEWSPAPERS, PUBLISHERS

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5
Ironbark	108 1/2	108	14.5
Mount Isa Mines	108 1/2	108	14.5
Palmerston North	108 1/2	108	14.5
Perth Consolidated	108 1/2	108	14.5
Queensland Mines	108 1/2	108	14.5
Reynolds	108 1/2	108	14.5
South Australian	108 1/2	108	14.5
Western Mining	108 1/2	108	14.5

PAPER, PRINTING

Stock	Price	Div.	Yield
Anglo American	108 1/2	108	14.5
BHP	108 1/2	108	14.5
Hammerhead	108 1/2	108	14.5



LET THE GIN BE  
HIGH & DRY!

Really Dry Gin



# Dollar falls as U.S. trade gap widens

BY JUREK MARTIN, U.S. EDITOR

THE U.S. trade deficit widened by more than \$400m (£205m) last month to \$2.13bn, disappointing for the time being the Carter Administration's hopes of improvement in one of the fundamental factors that have contributed to the dollar's weakness.

In October, exports fell by about 3 per cent to \$13.01bn compared with September levels. Imports edged up fractionally to \$13.14bn, in spite of smaller purchases of foreign oil and steel.

News of the increased deficit, closely following yesterday's announcement that inflation at the consumer level was still almost in double figures, induced further pressure on the dollar in the New York and foreign exchange markets. But evidence of central bank intervention arrested the initial fall, according to market sources.

The Administration was quick this morning to maintain that the October figures, far from demonstrating that the trade balance was deteriorating, contained signs that the underlying position was improving as expected.

Mr. Michael Blumenthal, Treasury Secretary, said that imports had "held steady" in October while exports had been partly depressed by special factors, such as the \$244m drop in the amount of U.S. gold sold overseas.

He repeated the Administration's projection that the current-account deficit this year would be about \$17bn and less than half that in 1979.

Mrs. Courtenay Slater, the Commerce Department's chief economist, argued that the trend over the past three months had been encouraging. She noted that the average monthly deficit in the past quarter had fallen to about \$1.8bn, the first time in more than a year that it had been below \$2bn, and that trade in manufactured goods in the past three months had been almost in balance, compared with a sharp deficit in the first seven months of the year.

The October figures nonetheless make it all the more certain that last year's deficit of \$26.5bn will be exceeded. Over the first 10 months, the deficit has amounted to \$24.79bn, implying a shortfall for the full year of almost \$30bn. In the first 10 months of last year, the U.S. trade balance was \$21.16bn in the red.

In October, in addition to the decline in gold sold overseas, exports of food and chemicals and related products both fell, in both cases by more than \$100m. That more than offset higher foreign sales of U.S. raw materials, machinery and transportation equipment.

On imports, foreign oil purchases fell by \$125m to just less than \$2.5bn compared with September (on an unadjusted basis) while the decline by about 8 per cent in the value of imported iron and steel partly reflects adjustments to the U.S. trigger price system governing foreign steel purchases.

However, the value of imports of foreign food and raw materials,

particularly lumber and iron ore, increased.

For the year to date, exports have been running at a 16 per cent annual rate, higher than for calendar 1977, which gives the Administration some encouragement that U.S. business, as well as agriculture, is capable of competing in world markets. Over the same period, imports, starting from a larger base, have risen at an annual rate of about 13 per cent.

Next year's projections for the trade and current-account balances are based in good measure on the assumption of more rapid growth among the country's main trading partners and slower expansion in the U.S. Michael Blandin writes: The dollar fell against other leading currencies after the publication of the disappointing U.S. trade figures.

Its currency ended the day's dealings in Europe slightly above its worst levels. Against the West German D-mark it fell to DM 1.9210 compared with DM 1.9275 on the previous ground, and dropped quite sharply against the Swiss franc to SwFr 1.7205 against SwFr 1.7380.

The Bank of England's index of the dollar's value against a basket of currencies fell from \$51.1 to \$49.8. The pound rose against the dollar, touching \$1.9550 at one point before coming back to close with a gain of 25 points at \$1.9515. Its trade-weighted index reached \$2.8 at noon, but ended at \$2.7 compared with \$2.8 on the previous day.

# FINANCIAL TIMES

Thursday November 30 1978

## Staflex ceases trading after continued losses

BY CHRISTINE MOIR

STAFLEX INTERNATIONAL, which rocketed to success in the 1960s on its invention of "iron" interlinings for shirt collars, is to cease trading today.

The board will be calling for the company to go into voluntary liquidation.

The group has been relying on support from its bankers since it announced pre-tax losses of £6.3m last year, after producing record pre-tax profits of £2.4m in 1976.

In July, when it became apparent that there was a £1.2m deficit on shareholders' funds, the banks agreed to provide continuing support while the company embarked on a complete restructuring.

That support ended on Tuesday. Staflex's exceptional expansion during the late 1960s had meant involvement with banks throughout the world. Thirty of them met on Tuesday in the role of company directors.

The £43m was had. Since July, Staflex had continued to lose money as orders failed to materialise. The deficit and the borrowings continued to rise significantly.

As a result, the crucial negotiations with DLI, a European group which proposed to take over Staflex's European distribution network, began to founder. Because orders were lower, DLI insisted on a reduced price for the distribution network. It was £1.5m, while Staflex wanted £2.5m. The bank's belief that liquidation was "ultimately inevitable. The decision was not unanimous but

shareholders will now vote on December 29 to wind up the company.

In its last balance sheet, Staflex had borrowings of £11.4m, mostly to banks, compared with net assets of £7m or so. Yesterday, Mr. Bill Rao, the managing director, said that the company would be unlikely to repay its creditors within a year.

It seems likely that it will be the banks rather than shareholders which appoint a liquidator at the end of the month.

### Expansion

Staflex became a glamour stock in the 1960s when its new invention, fusible interlinings, quadrupled profits and trebled dividends in five years. Throughout the decade progress was uninterrupted. There was a hiccup in 1970, but from then until the end of 1976, growth continued. Turnover rose from £12m in 1968 to £43m, and profits from £1m to £2.4m.

Instead of diversifying, Staflex went for international expansion, involving heavy capital outlays on new factories overseas, at a time when competitive products were beginning to steal market share. This, and the textile slump at the end of 1976, meant that by the end of last year, trading profits were £3m short of covering interest charges on £18m of borrowings, and £2.3m worth of losses had to be written off.

Since then, not even massive sales and closures of subsidiaries have done more than reduce borrowings to £11m, and losses have continued inexorably.

## Singer stewards will seek State help

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS at Singer's Clydebank plant are to seek the help of the Government and the trade union movement, after an announcement by the company yesterday that it could save 350 of the 2,800 jobs under threat.

Mr. Hugh Swan, deputy convenor, said that he was bitterly disappointed that the management had rejected recommendations in a 500,000 consultants' report commissioned by the company to keep the situation cool.

Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

## Ferodo seeks 'second sourcing' deal with Lucas

BY DAVID CURRY

PARIS, Nov. 29.

THE FRENCH motor components group Ferodo is hoping to negotiate an agreement with Lucas of the UK for "second sourcing" of some of the products it supplies to the French motor industry.

This move, essentially, that French motor manufacturers are insisting on having alternative and competing supplies of essential components.

The hope for such an agreement was expressed this week by M. Andre Boisson, chairman of Ferodo.

Any such deal would not necessarily affect the disputed status of the electrical component maker Ducellier which is being fought out between the French and British concerns.

Ferodo has acquired control of the voting rights associated with the 51 per cent stake in Ducellier held by the Bendix subsidiary, DRA.

Lucas, which holds 48 per cent of Ducellier, claims it had the right of over-emption on the remainder of Ducellier and that the Ferodo acquisition has no basis in law. It is challenging the Ferodo move in court.

However, even if not directly related to Ducellier, the two issues are linked.

French motor manufacturers have made it clear that Ferodo together with Ducellier would constitute a dominant force in the French market upon which they would not be prepared to rely as sole supplier and would be forced to diversify their pro-

chases to overseas companies. The Ferodo approach to Lucas could be a response to this pressure from Renault and Peugeot-Citroen.

Secondly, Ducellier is in an ambiguous position at the moment. Ferodo cannot effectively assert the control it claims while the outcome of court decisions remains uncertain. The court actions could take years to conclude.

Even if Ferodo did emerge with an undisputed 51 per cent control, it could not effectively run the company against the opposition of an embittered 49 per cent minority partner.

Ferodo and Lucas have tried to reach a compromise on Ducellier's ownership, but neither side will accept a minority position. The French Government has expressed its hope for a compromise and it is reasonable to suppose that the two sides will eventually reach agreement.

On the basis of earlier discussions, this agreement would centre on the creation of a jointly owned company to control a portion of the Ducellier equity, with the remainder being held by Lucas.

It is possible, of course, that any discussions with Ferodo on "second sourcing" or global strategy could eventually end by giving birth to a Ducellier company placed within the context of a broader co-operation agreement.

The signs last night, however, were that the minority parties would ensure that the Government scraped home on the vote.

Though the Scottish Nationalists will probably vote with the Tories, the Ulster Unionists are unlikely to do anything which might jeopardise the Northern Ireland Representation Bill now going through Parliament.

In the past, Liberals have always supported the sanctions, though with the pact with the Government now formally ended, Mr. Callaghan can no longer count on their support.

Last night, some Left-wingers were predicting that as many as 70 Labour back-benchers might abstain rather than support the Government.

But the feeling was that the Labour opposition would dissolve if there was any real chance of a Government defeat.

The Tribune Group will probably discuss the question at its meeting on Monday.

The Tories are using Thursday's adjournment debate because, unlike a straightforward motion of censure, a motion on the adjournment cannot be amended by the Government.

The Tory front-bench—some of whom have had reservations about the wisdom of forcing a vote on pay at all—did not want the Government to be in a position to amend its motion, as this would allow general amendments which could eliminate all Labour opposition.

The vote will undoubtedly be close but even if enough Labour MPs rebelled over sanctions for a Government defeat, they would almost certainly fall in

line on a subsequent vote of confidence.

The signs last night, however, were that the minority parties would ensure that the Government scraped home on the vote.

Though the Scottish Nationalists will probably vote with the Tories, the Ulster Unionists are unlikely to do anything which might jeopardise the Northern Ireland Representation Bill now going through Parliament.

In the past, Liberals have always supported the sanctions, though with the pact with the Government now formally ended, Mr. Callaghan can no longer count on their support.

## Deutsche Bank takes stake in Nixdorf

By Guy Hawtin

FRANKFURT, Nov. 29. THE Deutsche Bank, West Germany's largest commercial bank, is to take a 25 per cent stake in Nixdorf, the family-owned West German computer group which had been discussing a possible link with Volkswagen.

The bank's participation could lead to Nixdorf's shares being offered on the country's stock exchanges, although the family has three years in which to decide whether or not to buy the shares.

News of the Deutsche Bank participation today comes shortly after the breakdown of the Nixdorf-Volkswagen talks. Negotiations are thought to have ended after Herr Heinz Nixdorf, the company's founder, made it clear that he was unwilling to sell VW a majority stake.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

SHOP STEWARDS at Singer's Clydebank plant are to seek the help of the Government and the trade union movement, after an announcement by the company yesterday that it could save 350 of the 2,800 jobs under threat.

Mr. Hugh Swan, deputy convenor, said that he was bitterly disappointed that the management had rejected recommendations in a 500,000 consultants' report commissioned by the company to keep the situation cool.

Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

The acquisition will inject nearly DM 200m into the company, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

Deutsche Bank will buy the 700,000 DM 50 nominal shares at a price of DM 285 per share, which gives the company a 25 per cent increase in its nominal capital bringing it up to DM 40m.

The bank is to pay DM 199.3m (£35.4m) for its share of the Singer equity. Under the terms of the agreement, the bank will divest itself of the Singer shares by June 30, 1981, at the latest—either by reselling them to the family or by placing them on the stock exchanges.

Continued from Page 1

## CBI seeks talks

and help under the Export Credits Guarantee Act.

The CBI is questioning whether the Government can legally use discretionary powers to enforce a non-statutory pay policy.

There have been two published instances where these sanctions have been used under the last pay round.

The first concerned the Belfast firm of James Mackie, which had export credits but denied to it for a particular 56 contract, and the second was when GEC was asked to agree not to breach the pay guidelines if it was to receive financial assistance for the development of a factory belonging to one of its subsidiaries. The latter request, however, was not enforced.

Ethor Goodman writes: The Tories are to force a vote on the use of pay sanctions next Thursday.

They will use a technical formula to put down a motion phrased in such a way as to attract not only the support of the minority parties but also that of those Labour back-benchers opposed to the pay policy concept.

In this way they hope to exploit the sanctions issue to cause the Government maximum embarrassment.

The vote will undoubtedly be close but even if enough Labour MPs rebelled over sanctions for a Government defeat, they would almost certainly fall in

line on a subsequent vote of confidence.

The signs last night, however, were that the minority parties would ensure that the Government scraped home on the vote.

## Oil supply

was not to face serious economic difficulties and political unsettlement. "For the decades ahead the energy problem must be placed continuously and prominently on our political agenda."

The recent passage of the U.S. National Energy Act represented an "historical watershed," said Mr. Schlesinger.

It showed the start of U.S. acceptance that fewer than 5 per cent of the world's population could not expect, in the long run, to consume almost 40 per cent of the world's oil production. (The Act could bring savings in U.S. oil consumption of about 3m barrels a day, but more far-reaching measures were rejected by Congress.)

Mr. Schlesinger also warned that the industrialised world must pay more attention to the vulnerability of its oil supply routes. The texture of strategic relationships in the Middle East was changing.

More than 40 per cent of the world's oil passed through the Gulf through the Straits of Hormuz. The events of the past year—including the coup in Afghanistan, the murder of two heads of state in North and South Yemen, developments in the Horn of Africa and the arrival of Cuban forces and Soviet military leaders and above all the severe unrest in Iran—had shaken the entire area.

The retrenchment puts a

serious question mark over Hoover's plan to expand into new 40,000 sq ft factory at Merthyr Tydfil, which the Welsh Development Agency is building for it at a cost of £14m.

The plan, announced a year ago, was to increase the workforce from 3,500 to 8,000 at Merthyr. But redundancies announced in the last six months have cut the workforce to 4,900.

It was announced yesterday that two factories at Dowlais, Wales, will be closed during the next one to two years, and production transferred to Pentrebach.

The economy measures include a reduction of shift working and overtime, revision of sick pay, a cut in company-sponsored social events, a campaign to eliminate waste and the end of production of Hoover's wringer washing machine.

The company said the main aim was to restore profitability. It said last year's profits were only £12m, compared with £24m which would have been needed to keep pace with inflation.

Recently, Hotpoint, the GEC subsidiary, and Hoover's main rival, announced that its expansion plan in North Wales had been called into question because of the competition from Italian imports.

THE LEX COLUMN

## Audit committees no cure-all

Quite suddenly a big interest has sprung up in audit committees. This transatlantic phenomenon—90 per cent of large U.S. companies have them—is now being emulated by UK companies like Shell, BP, BAT and the clearing banks. This week Mr. Gordon Richardson, Governor of the Bank of England, has expressed his broad approval for the concept, suggesting that every quoted company should seriously consider whether an audit committee might help to improve its performance.

Clearly, some careful definitions are necessary for a company to come to any worthwhile conclusions. What is an audit committee, and what is it supposed to do? Even in the U.S., where audit committees have mushroomed from small beginnings during the past decade, they are not yet defined precisely. The New York Stock Exchange, which requires listed companies to have them, sets out only broad guidelines. Crucial questions such as whether the directors on the committee should be exclusively non-executive, or should include company executives, are left open for companies themselves to decide.

Where the finance director becomes involved the committee can be seen